



**RAMA PAPER MILLS LIMITED**

## **RAMA PAPER MILLS LIMITED**

### **BOARD OF DIRECTORS**

Shri Pramod Agarwal	-	Chairman & Managing Director
Shri Arun Goel	-	Executive Director
Shri Manish Garg	-	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**

Jain Sharma & Associates  
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**

### **NOTICE**

Notice is hereby given that the Twenty Seventh Annual General Meeting of the Members of RAMA PAPER MILLS LIMITED will be held on Saturday, the 29th September, 2012 at 2.00 P.M at the Registered Office of the Company at 4th Km. Stone Najibabad Road, Kiratpur, Distt. Bijnor (U.P.) to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2012, 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.

#### **SPECIAL BUSINESS:**

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution:-**  
"RESOLVED THAT pursuant to provisions of Section 269, 198, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act and subject to such approvals as may be necessary, consent of the Company be and is hereby accorded to the re-appointment of Shri Pramod Agarwal as the Chairman & Managing Director of the Company for a further period of three years with effect from 1st October, 2012 on the following terms and conditions as approved by the Remuneration Committee:

##### **I. SALARY**

Rs. 2,75,000/- (Rupees Two Lacs Seventy Five Thousand only) per month

##### **II. COMMISSION**

In addition to Salary as aforesaid, the Chairman & Managing Director shall be entitled to Commission @ 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.

##### **III. PERQUISITES**

###### **CATEGORY – A: -**

- I. 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.
- II. MEDICAL REIMBURSEMENT: Expenses incurred for the Chairman & Managing Director and his family subject to a ceiling as specified in Income Tax Act.
- III. LEAVE TRAVEL CONCESSION: For Chairman & Managing Director and his family once in a year to and from New Delhi 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.

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.
- 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) 24% 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 perquisites 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 rules of the Company not exceeding one month's leave for every eleven months of service subject to the condition that leaves accumulated but not availed of will not be allowed to be encashed during the currency of service (encashment allowed at the end of tenure).



## **RAMA PAPER MILLS LIMITED**

- 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 for use of Company's business.
- VII. Corporate Relation Expenses reimbursement for an amount of Rs. 25,000/- per annum.
- VIII. Educational support to dependent children including their travel, hostel and tuition fees, subject to maximum of Rs. 50,000/- (Rupees Fifty Thousand only) in the aggregate, in a year.

### **MINIMUM REMUNERATION**

**RESOLVED FURTHER THAT** where in any Financial Year during the currency of tenure of Chairman & Managing Director, the Company has no profits or its profits are inadequate, Shri Pramod Agarwal, Chairman & Managing Director shall be entitled to remuneration by way of salary and perquisites restricted to the overall limits laid down in Schedule XIII of the Companies Act, 1956 as in force from time to time, as minimum remuneration, subject to such approvals, as may be necessary.

**RESOLVED FURTHER THAT** Board of Directors of the Company be and is hereby authorised to complete all necessary formalities and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution:**

**"RESOLVED THAT** pursuant to provisions of Section 269, 198, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act and subject to such approvals as may be necessary, consent of the Company be and is hereby accorded to the re-appointment of Shri Arun Goel as the Whole-time Director designated as Executive Director of the Company for a further period of three years with effect from 1<sup>st</sup> October, 2012 on the following terms and conditions as approved by the Remuneration Committee:

#### **I. SALARY**

Rs. 2,75,000/- (Rupees Two Lacs Seventy Five Thousand only) per month

#### **II. COMMISSION**

In addition to Salary as aforesaid, the Executive Director shall be entitled to Commission @ 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.

#### **III. PERQUISITES**

##### **CATEGORY – A: -**

- I. **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.
- II. **MEDICAL REIMBURSEMENT:** Expenses incurred for the Executive Director and his family subject to a ceiling as specified in Income Tax Act.
- III. **LEAVE TRAVEL CONCESSION:** For Executive Director and his family once in a year to and from New Delhi 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.

**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.
- 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) 24% 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 perquisites to the extent these, either singly or put together are not taxable under the Income Tax Act.





## **RAMA PAPER MILLS LIMITED**

- IV. LEAVE: The Executive Director shall also be entitled to leave on full pay and allowance as per rules of the Company not exceeding one month's leave for every eleven months of service subject to the condition that leaves 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 for use of Company's business.
- VII. Corporate Relation Expenses reimbursement for an amount of Rs. 25,000/- per annum.
- VIII. Educational support to dependent children including their travel, hostel and tuition fees, subject to maximum of Rs. 50,000/- (Rupees Fifty Thousand only) in the aggregate, in a year.

### **MINIMUM REMUNERATION**

**RESOLVED FURTHER THAT** where in any Financial Year during the currency of tenure of Executive Director, the Company has no profits or its profits are inadequate, Shri Arun Goel, Executive Director shall be entitled to remuneration by way of salary and perquisites restricted to the overall limits laid down in Schedule XIII of the Companies Act, 1956 as in force from time to time, as minimum remuneration, subject to such approvals, as may be necessary.

**RESOLVED FURTHER THAT** Board of Directors of the Company be and is hereby authorised to complete all necessary formalities and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary Resolution:-**

**RESOLVED THAT** Sh. Manish Garg, who was appointed as an Additional Director with effect from November 04, 2011 on the Board of the Company in terms of Section 260 of the Companies Act, 1956 who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a Member in writing, under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the company, liable to retire by rotation.

**By Order of the Board  
For RAMA PAPER MILLS LIMITED  
(PANKAJ MISRA)  
Company Secretary**

**Place: Kiratpur  
Date: 14.08.2012**

### **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 Explanatory Statement pursuant to the provisions of Section 173 (2) of the Companies Act, 1956 in respect of the Special business(es) under Item Nos. 4 to 6 is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, the 27<sup>th</sup> September, 2012 to Saturday, the 29<sup>th</sup> September, 2012, both the days inclusive.
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 and email ID indicating their DPID/ Folio Number.
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.



## RAMA PAPER MILLS LIMITED

### ANNEXURE TO NOTICE

#### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

##### **Item No. 4 & 5:**

Shri Pramod Agarwal and Shri Arun Goel were re-appointed by the Board as the Managing Director and Executive Director respectively of the Company for a period of three years w.e.f. 1<sup>st</sup> October, 2009. Shri Pramod Agarwal, Chairman & Managing Director of the Company, has around 32 years of experience in Paper Industry and has been associated with the Company since its incorporation. Shri Arun Goel, Executive Director of the Company, has around 20 years of experience in Paper Industry and has been associated with the Company since 1992. Both of them have played significant role in turning around the Company in the depressed conditions in paper industry and ensure Company's presence in the market. It is now proposed to re-appoint Shri Pramod Agarwal and Shri Arun Goel as the Chairman & Managing Director and Executive Director of the Company respectively for a further period of three years w.e.f 1<sup>st</sup> October, 2012 on the terms and conditions, which had earlier been approved by the Remuneration Committee.

The additional information with respect to the Company and the Appointees is as under:

##### **I. GENERAL INFORMATION:**

- (i) Nature of Industry : Manufacturing of Paper and other allied products.
- (ii) Date or expected date of Commencement of commercial Production : The Company is in operation.
- (iii) In case of new Companies, Expected date of commencement of activities as per project approved by financial institutions appearing In the prospectus : N.A.
- (iv) Financial Performance based on the given indicators for the F.Y. ended 31.03.2012 :
- |  |               |
|--|---------------|
|  | (Rs. in Lacs) |
| Turnover   | 13815.71      |
| Profit /Net (Loss)                                   | (462.83)      |
| Net worth (excluding revaluation reserve)            | 2826.43       |
| Book Value per Share (excluding revaluation reserve) | 29.24         |
- (v) Export performance and net Foreign exchange earnings : NIL
- (vi) Foreign investment or collaboration, if any. : NIL

##### **II. INFORMATION ABOUT THE APPOINTEES:**

Name	Background Details	Previous Remuneration	Proposed Remuneration	Job Profile
Shri Pramod Agarwal	Age 57 Yrs. LL.B. Having 32 years of experience in Paper Industry.	Rs. 2,75,000/- p.m. plus perquisites	Rs. 2,75,000/- p.m. plus perquisites	Managerial [responsible for overall management of the affairs of the Company].
Shri Arun Goel	Age 44 Yrs. B.Com. Having 20 years of experience in Paper Industry.	Rs. 2,75,000/- p.m. plus perquisites	Rs. 2,75,000/- p.m. plus perquisites	Managerial [responsible for Administrative and operational functions].



## **RAMA PAPER MILLS LIMITED**

The details relating to comparative remuneration profile with respect to Industry being unavailable hence not provided. The Board is of the view that the proposed remuneration is in line with the prevailing Industry trends.

The Board is of the opinion that the aforesaid managerial personnels have requisite qualifications, expertise and experience for the job they are holding. Except for receiving remuneration, none of the managerial personnel as aforesaid has any pecuniary relationship with the company.

### **OTHER INFORMATION:**

#### **(i) Reasons for inadequate Profit:**

The loss was resulted mainly due to depressed market conditions in paper industry, coupled with increase in raw material cost. Moreover the increased capacity also could not be fully utilized.

#### **(ii) Steps taken or proposed to be taken for improvement:**

The Company has undertaken the required measures to reach at the optimum capacity utilization and ensuring cost cutting in all the components, which will have positive impact on Company's Performance.

#### **(iii) Expected increase in productivity and Profits in measurable terms:**

It is only because of tremendous efforts put in by the Chairman & Managing Director and Executive Director, the Company is ensuring its existence in the market and now turning around on improving trend. The expected increase in productivity in measurable term being indeterminate cannot be quantified.

### **I. DISCLOSURES:**

The Shareholders of the Company are duly informed of the remuneration package of Managerial Personnel and disclosures in this regard are made in the Report of Corporate Governance under Clause 49 of the Listing Agreement.

None of the Directors of the Company except Shri Pramod Agarwal and Shri Arun Goel being interested in their respective resolutions and related to each other may be considered as concerned or interested in the resolutions.

The resolutions alongwith the accompanying Explanatory Statement may be treated as abstracts of the terms of Appointment and Memorandum of interest of Chairman & Managing Director and Executive Director within the meaning of Section 302 of the Companies Act, 1956.

All the documents referred to in the accompanying Notice are open for inspection of members at the Registered office of the Company between 10.00 A.M. to 1.00 P.M. on all working days except holidays up to the date of the meeting.

#### **Item No. 6:**

Sh. Manish Garg was appointed as an Additional Director by the Board of Directors w.e.f. November 04, 2011 in accordance with the provisions of section 260 of the Companies Act, 1956.

Pursuant to section 260 of the Companies Act, 1956 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing his candidature for appointment as Director of the Company in accordance with the provisions of section 257 and all other applicable provisions of the Companies Act, 1956, liable to retire by rotation.

The Board feels that presence of Sh. Manish Garg on the Board is desirable and would be beneficial to the company and hence recommend resolution No.6 for adoption.

None of the Directors, except Sh. Manish Garg is concerned or interested in this resolution.

The Board recommends resolution under Item No.6 to be passed as ordinary resolution.



**DIRECTORS' REPORT**

To

**The Members,**

The Directors are pleased to present their 27th Report alongwith the Audited Accounts for the year ended 31st March, 2012

**Financial Results****(Rs. in lacs)**

Particulars	2011-12	2010-11
Turnover	13815.71	12577.89
Profit before Financial Charges & Depreciation	976.78	555.46
Less: Financial Charges	829.66	989.84
Less: Depreciation	662.43	632.21
Profit before Tax	-515.31	-1066.59
Add/Less: Deferred Tax Liability	52.48	305.86
Less: Provision for Tax (MAT)	0.00	0.00
Add: MAT Credit Entitlement	0.00	0.00
Profit After Tax	-462.83	-760.73
Profit / Loss brought forward from previous year	655.49	1416.22
Balance carried to Balance Sheet	192.66	655.49

**Operations**

During the year under review, your Company has suffered the Net Loss of Rs.462.83 lacs against the Net Loss of Rs.760.73 lacs in the previous year, though the turnover has increased to Rs.138.16 Crore against the previous year turnover of Rs.125.78 Crore. The loss was resulted mainly due to depressed market conditions in paper industry, coupled with increase in raw material cost. Moreover the increased capacity also could not be fully utilized.

The Management is also pleased to inform that your Company has been issued 28484 CERs on 20<sup>th</sup> July' 2012 (IIIrd Issuance) and further Monitoring Report for the period 01<sup>st</sup> August 2011 to 31<sup>st</sup> March 2012 for issue of 16125 has now been webhosted.

**Dividend**

Since the Company incurred Net Loss during the financial year, 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. During the year under review, Mr. Amar Mittal resigned from the Board of Directors of the Company and the Board was pleased to appoint Shri Manish Garg as an Additional Director at its meeting held on November 4<sup>th</sup> 2011. A notice under section 257 of the Companies Act' 1956 has been received from a member of the company proposing his candidature for office of Director, liable to retire by rotation and now put before the members for their approval.

**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 as Annexure A.

**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.



## **RAMA PAPER MILLS LIMITED**

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:

- a) In the preparation of the Annual Accounts for the year ended 31st March, 2012 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 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 Company as at 31st March, 2012 and of the Profit of the Company for the year ended 31st March, 2012.
- 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**

There is no employee covered under the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

### **Fixed Deposits**

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

### **INSURANCE**

All properties and insurable assets of the Company, including Building, Plant & Machinery and Stocks have been adequately insured, wherever necessary

### **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 LIMITED**

**Dated: 14-08-2012  
Place: Kiratpur**

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

### **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 2012

#### **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.



**RAMA PAPER MILLS LIMITED****"FORM-A"****Disclosure of Particulars with respect to Conservation of Energy**

Particulars	Current Year 2011-2012	Previous Year 2010-11
<b>A. Power &amp; Fuel Consumption</b>		
<b>1. Electricity</b>		
a) Purchased Unit	287255	201880
Total Amount Rs.	3730007	4237125
Rate/Unit	12.99*	20.99*
*It includes Minimum Demand Charges due to non-use of Chargeable Demand		
<b>b) Own Generation</b>		
Through Diesel Generator Unit	878400	1252800
Unit per Ltr of Diesel Oil	3.6	3.6
Cost/Unit Rs.	12.72	9.42
<b>c) Through Steam Turbine/Generator Unit</b>	40573500	38402700
<b>2. Husk &amp; Buggasse</b>		
Qty (tonnes)	72771.84	65099.21
Total Cost	264170173	203657624
Average Rate	3630.12	3128.42
<b>Consumption Per Unit of Production (in One Ton)</b>		
<b>Product Details &amp; Unit (If Any)</b>		
News Print , Duplex Board and Wrinting Paper	48625.7526	49762.5172
Electricity (Units)	840.31	775.78
Husk & Buggasse (MT)	1.50	1.31

**"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. 27,52,45,203/- (PY Rs. 13,55,01,234/-). Earnings in Foreign Exchange is NIL

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

**Dated: 14-08- 2012**  
**Place: Kiratpur**

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

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

During the year ended 31st March, 2012 your Company has gross sales of Rs. 1,38,15,71,602/- as against Rs. 1,25,77,89,102/- during the previous year. This represents 14.63% growth.

**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