

**TWENTY EIGHTH
ANNUAL REPORT
2012-2013**



**RAMA
PAPER
MILLS
LIMITED**

NAJIBABAD ROAD, KIRATPUR (BIJNOR) U.P.

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
Smt. Sunita Agarwal – Director

BANKERS

Bank of Baroda

AUDITORS

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

COST AUDITORS

Jain Sharma & Associates
Cost Accountants
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. INROOOOO3845

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RAMA PAPER MILLS LIMITED

NOTICE

NOTICE is hereby given that the Twenty Eighth Annual General Meeting of the Members of RAMA PAPER MILLS LIMITED will be held on Monday, the 30th September, 2013 at 10.00 A.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, 2013, Balance Sheet as at that date together with the Reports of Auditors' and Directors' thereon.
2. To appoint a Director in place of Shri H.S Bhimrao, 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 **Ordinary Resolution:-**

RESOLVED THAT Sh. Manish Garg, who was appointed as an Additional Director with effect from February 14, 2013 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.

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

RESOLVED THAT Smt. Sunita Agarwal, who was appointed as an Additional Director with effect from April 01, 2013 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.

Place: Kiratpur

Date: 14.08.2013

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

**SD/-
(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 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 and 5 is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from **Friday, the 27th September, 2013 to Monday, the 30th September, 2013**, 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 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.



ANNEXURE TO NOTICE

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

Item No. 4:

Sh. Manish Garg was appointed as an Additional Director by the Board of Director w.e.f. February 14, 2013 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.

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.4 for adoption.

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

The Board recommends resolution under Item No.4 to be passed as ordinary resolution.

Item No. 5:

Smt. Sunita Agarwal was appointed as an Additional Director by the Board of Director w.e.f. April 01, 2013 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.

The Board feels that presence of Smt. Sunita Agarwal on the Board is desirable and would be beneficial to the company and hence recommend resolution No.5 for adoption.

None of the Directors, except Shri Pramod Agarwal and Smt. Sunita Agarwal is concerned or interested in this resolution.

The Board recommends resolution under Item No.5 to be passed as ordinary resolution.

**DIRECTORS' REPORT**

To

The Members,

The Directors are pleased to present their 28th Report alongwith the Audited Accounts for the year ended 31st March, 2013

Financial Results

Particulars	(Rs.in Lacs)	
	2012-13	2011-12
Turnover	15492.63	13815.71
Profit before Financial Charges & Depreciation	977.25	976.78
Less: Financial Charges	904.76	829.66
Less: Depreciation	664.31	662.43
Profit before Tax	-591.82	-515.31
Add/Less: Deferred Tax Liability/Asset	184.92	52.48
Less: Provision for Tax (MAT)	0.00	0.00
Add: MAT Credit Entitlement	0.00	0.00
Profit After Tax	-406.90	-462.83

Operations

During the year under review, your Company has suffered the Net Loss of Rs. 406.90 Lacs against the Net Loss of Rs.462.83 Lacs in the previous year, though the turnover has increased to Rs.154.92 Crores against the previous year turnover of Rs.138.15 Crores. The loss has 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.

Dividend

Since the Company incurred Net Loss during the financial year, your Directors regret their inability to recommend any dividend.

Directors

Shri H.S Bhimrao will retire by rotation and being eligible, offers himself for re-appointment. During the year under review, Shri Manish Garg was appointed as an Additional Director at the meeting of Board held on February 14th 2013. Further Smt Sunita Agarwal was also appointed as additional director on April 01, 2013.

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.



RAMA PAPER MILLS LIMITED

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:

- a) In the preparation of the Annual Accounts for the year ended 31st March, 2013 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, 2013 and of the Profit of the Company for the year ended 31st March, 2013.
- 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.

Date: 14th August, 2013

Place: Kiratpur

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

**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 2013

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 2012-13	Previous Year 2011-12
A. Power & Fuel Consumption		
1. Electricity		
a) Purchased Unit	2378945	287255
Total Amount Rs.	15077569	3730007
Rate/Unit	6.34	12.99
*It includes Minimum Demand Charges due to non-use of Chargeable Demand		
b) Own Generation		
Through Diesel Generator Unit	518400	878400
Unit per Ltr of Diesel Oil	3.6	3.6
Cost/Unit Rs.	11.09	12.72
c) Through Steam Turbine/Generator Unit	40713795	40573500
2. Husk & Buggasse		
Qty (tonnes)	65452.04	72771.84
Total Cost	248498911	264170173
Average Rate	3796.66	3630.12
Consumption Per Unit of Production (in One Ton)		
Product Details & Unit (If Any)		
News Print , Duplex Board and Wrinting Paper	48817.497	48625.7526
Electricity (Units) - Including Units from Turbine	882.73	840.31
Husk & Buggasse (MT)	1.34	1.50

“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 Earnings and Outgo during the year under review was NIL.

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

Sd/-
PRAMOD AGARWAL
CHAIRMAN & MANAGING DIRECTOR

Date: - 14th August, 2013
Place: - Kiratpur



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

SALES

During the year ended 31st March, 2013 your Company has gross sales of Rs. 1,54,92,63,598/- as against Rs. 1,38,15,71,602/- during the previous year. This represents 12.13% 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 much 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 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, writing and printing paper and MG Poster/ Tissue 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 aspects 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 Six 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 2012-13, the Board of Directors of the Company met seven times on 15.05.2012, 30.06.2012, 14.08.2012, 14.11.2012, 07.01.2013, 14.02.2013, 30.03.2013.



RAMA PAPER MILLS LIMITED

Information relating to Directors

The composition of the Board of Directors and related information as on 31st March, 2013 is as follows:

Name of the Directors & Designation	Executive/ Non Executive/ Independent	No of Board Meeting Attended	Attendance at the last AGM on 29.09.2012	Directorship in other Companies Incorporated in India	No of Board Committees of which Member/ Chairman
Shri Pramod Agarwal (Chairman & Managing Director)	Executive	7	Present	7	2
Shri Arun Goel (Executive Director)	Executive	7	Present	1	2
Shri Prabhat Agarwal (Director)	Non Executive	4	Absent	Nil	3
Shri H. S. Bhim Rao (Director)	Non Executive	4	Absent	Nil	2
Shri Manish Garg (Director)	Independent	4	Absent	3	1

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, 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 H.S Bhimrao, Director of the Company, 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 2006. His Directorship and membership in other Public Limited Companies and/or its Committees are reported to be NIL. Shri Manish Garg was appointed as an Additional Director at meeting of the Board held on 14th February, 2013 and Smt Sunita Agarwal was also appointed as Additional Director at the meeting of Board held on 01st April, 2013. A notice under section 257 of the Companies Act' 1956 has been received from Shri Manish Garg and Smt. Sunita Agarwal; proposing their candidature for office of Director, liable to retire at the ensuing annual general meeting and now put before the members for their approval.

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. The



RAMA PAPER MILLS LIMITED

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 include 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 2012-13, the Audit Committee met five times on 15.5.2012, 30.06.2012, 14.08.2012, 14.11.2012 and 14.02.2013.

Composition and Attendance

The Audit Committee consists of three Directors named Shri Pramod Agarwal (Managing Director), Shri Prabhat Agarwal and Shri Manish Garg (Independent Directors). During the year ended 31st March, 2012, five meetings 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 Meetings Attended
1	Shri Pramod Agarwal	5
3	Shri Prabhat Agarwal	5
4	Shri Manish Garg	5

B. REMUNERATION COMMITTEE

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

During the year ended March 31st, 2013, One Meeting of Remuneration Committee was 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 Arun Goel	1
2	Shri Prabhat Agarwal	1
3	Shri H.S.Bhimrao	1

Details of Remuneration paid/ payable to the Directors for the year ended 31st March, 2013.

Name of Director's	Remuneration (Rs)
Shri Pramod Agarwal	33,00,000/-
Shri Arun Goel	NIL

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, 2013. 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:

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