

30

Years of Excellence



Annual Report 2011-2012



Rama Pulp
& Papers Limited

An ISO 9001-2008 Company



BOARD OF DIRECTORS

DIRECTORS

SHRI MAHESH MEHTA

SHRI AKHILESH K. SHARMA

SHRI RAMNIKLAL SALGIA

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AUDITORS :

M/S. N. R. Agrawal & Co.
Chartered Accountants

BANKERS :

State Bank of Patiala
Axis Bank Ltd.

REGISTERED OFFICE :

Paithan Road,
Aurangabad - 431 005

ADMINISTRATIVE OFFICE :

1, Chateau Windsor,
86, Veer Nariman Road, Churchgate,
Mumbai 400 020.

FACTORY :

Plot No. 293 - 296, G.I.D.C, Phase II,
Vapi 396 195 Gujarat

REGISTRAR :

Bigshare Services Pvt. Ltd.
E 2/3, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri (East), Mumbai 400 072.
Tel : 022 - 28470652, 40430200
E-mail : info@bigshare.com

NOTICE:

NOTICE is hereby given that the 30th Annual General Meeting of Members of Rama Pulp & Papers Limited will be held at the Registered Office of the Company on Friday 7th September, 2012 at 11.00 AM, at Paithan Road, Aurangabad - 431 005 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March, 2012, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Mahesh Mehta who retires by rotation & being eligible, offers himself for re-appointment.
3. To appoint auditors and to fix their remuneration and in this regard to consider and if thought fit to pass with or without modification(s) the following resolution as an ordinary resolution.

“RESOLVED THAT M/s. N. R. Agrawal & Company, Chartered Accountants, Mumbai, be and are hereby appointed as Auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the company on the remuneration, as may be fixed by the Board of Directors”.

By order of the Board of Directors
for Rama Pulp & Papers Ltd.

Mahesh Mehta
Director

Place: Mumbai

Date: 31st July, 2012

NOTES:

- a) A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and a Proxy need not be the member of the Company.
- b) The instrument appointing the Proxy, if any, shall be delivered at the Registered Office of the company not later than forty eight hours before the time of commencement of the meeting and in default, the instrument of Proxy shall be treated as invalid.
- c) Members are requested to notify immediately any change in their address to the Company at its Registered office.
- d) Register of Members and Share Transfer Books of the Company shall remain closed from 5th September 2012 to 7th September 2012, both days inclusive.
- e) Important Communication to Members: The ministry of corporate affairs has taken a “Green initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including the Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronics holding with the Depository to send all further communication through e-mail, to support Green initiative in the Corporate Governance.



DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 30th Annual Report of your Company together with the Audited Accounts drawn for the year ended 31st March, 2012.

(Rs. in Lacs)

FINANCIAL RESULT		
Particulars	Year Ended	
	31.03.2012	31.03.2011
Revenue from Operation (Net)	7107	6670
Profit before Interest & Depreciation	530	467
Interest & Depreciation	158	100
Profit before Tax	372	367
Surplus brought forward from the Previous Year	1126	935
Deferred Tax	(119)	(61)
Proposed Dividend & Tax	0	65
Surplus carried to Balance Sheet	1418	1126
EPS (Rs.)	2.30	3.36

REVIEW OF OPERATIONS

The sales turnover of the company increased to Rs.7107 lacs from Rs.6670 lacs and has registered an increase of 6.55% than previous year.

The company recorded a net profit of Rs.372 lacs during the year compared to a net profit of Rs.367 lacs in the previous year.

The new product Absorbent Kraft introduced by your company is well accepted by the consumers and has captured substantial market share. Our overseas sales have increased to Rs.324 lacs compared with Rs.312 lacs in the previous year. The company has also introduced its Specialty Products in South East Asia and American sub continent.

FUTURE PLANS

Your company has decided to install a new FBC boiler with co-generation capacity of Two MW of power. Your company is also setting up a plant to manufacture 1.25 lacs TPA of Granular Single Super Phosphate (SSP) at Paithan, Dist. Aurangabad in Maharashtra and 16000 TPA of Linear Alkyl Benzene Sulphonic Acid (LABSA) at Vapi Dist. Valsad Gujarat. These projects are scheduled to be on stream by March 2014. The projects would involve a capital outlay of Rs. 35 crores resulting in increased sales revenue of about Rs. 240 crores.

CORPORATE GOVERNANCE

All mandatory provisions of corporate governance as provided in the listing agreement with Stock Exchanges on which company's securities are listed, are complied with.

Pursuant to clause 49 of listing agreement with Stock Exchanges, a Management Discussion and Analysis Report and a Corporate Governance Report are made part of this report.

A certificate from the auditors of the company regarding compliance with the conditions of Corporate Governance as stipulated by clause 49 of the listing agreement is attached to this report.

DIVIDEND

As your Company wants to conserve its resources from the internal accruals for growth & expansion of the activities of the Company, the Board of Directors of your company does not re-command any dividend for the year ended 31st March 2012.

AUDITORS REPORT

The notes referred to by the Auditors in their report are self-explanatory and do not call for further explanation.

DIRECTORS

Shri Mahesh Mehta retires from office by rotation and being eligible, offers himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 217 (2AA) of the Companies Act, 1956 the Board of Directors confirm that:

1. In the preparation of the Annual Accounts, the applicable accounting standards have been followed.
2. Reasonable and prudent accounting policies have been used in the preparation of the financial statements, that they have been consistently applied and that reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profits of the Company for that year.
3. Proper and sufficient care has been taken for maintenance of adequate 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; and
4. The Annual Accounts have been prepared on a going concern basis.

AUDITORS

M/s. N. R. Agrawal & Co, Chartered Accountants, Auditors of the company who retire at the ensuing Annual General Meeting of the Company and being eligible, have confirmed their willingness to be re-appointed at the Annual General Meeting of the company. The Board recommends appointment of M/s. N. R. Agrawal & Co., Chartered Accountants, as the statutory auditors.

PARTICULARS OF EMPLOYEES

There are no employees receiving remuneration in excess of the amount prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 relating to which a statement of particulars is required to be annexed to this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION FOREIGN EXCHANGE EARNING & OUTGO

In terms of rule 2 of The Companies (Disclosure of particulars in the report of Board of Directors Rules, 1988) the relevant particulars are given in the Annexure to this report.

ACKNOWLEDGEMENTS

Your Directors express their appreciation and gratitude for the perpetual support, co-operation and assistance received from the company's customers, vendors, business associates, bankers and Government authorities.

The Directors also wish to place on record their appreciation for the devoted and dedicated services rendered by all the employees for the sustained growth of the company.

The Directors also sincerely acknowledge the continued trust and confidence reposed by the shareholders of the Company

For and on behalf of the Board,

Mahesh Mehta
Director

Place : Mumbai
Date : 31st July, 2012



ANNEXURE TO THE DIRECTOR'S REPORT
FORM A

Statement containing particulars pursuant to the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 and forming part of Directors' Report.

1. CONSERVATION OF ENERGY			
A. POWER & FUEL CONSUMPTION	2011-12	2010-11	
I. ELECTRICITY			
a. Purchased (net) Unit (Lacs KWH) Total / Amount (Rs. in Lacs) Rate / Unit	117.10 773.98 6.61	104.80 630.98 6.02	
b. Own Generation			
i) Through Diesel Generator Unit (Lacs KWH) Unit per liter % diesel oil Cost / Unit Rs.	NIL NIL N.A.	NIL NIL N.A.	
ii) Through Steam Turbine Generator Unit (Lacs KWH) Unit per liter % fuel gas / oil Cost / Unit Rs.	NIL NIL N.A.	NIL NIL N.A.	
II. COAL (Specify quality and where used)			
Quantity (Tonnes) Cost (Rs. in Lacs) Average Rate (Rs.)	11705.990 372.81 3185	10337.475 280.32 2711	
III. FURNACE OIL			
Quantity (Tonnes) Cost (Rs. in Lacs) Average Rate (Rs.)	NIL NIL NIL	NIL NIL NIL	
B. CONSUMPTION PER TONNE OF PRODUCTION			
Production (Tonnes) Electricity (KWH) Furnace Oil (K. Liters) Coal (Kgs.)	13602.090 861 NIL 860	11970.332 875 NIL 863	
2. FOREIGN EXCHANGE EARNING AND OUTGO			
A. Foreign Exchange Earned (Rs. in Lacs)	357.96	315.30	
B. Outgo Foreign Exchange (Rs. in Lacs)			
I. Value of Imports (CIF)			
a. Raw Materials (Rs. in Lacs)	1554.01	1256.53	
b. Spare Parts and Consumable (Rs. in Lacs)	3.32	2.99	
c. Capital Goods (Rs. in Lacs)	NIL	NIL	
II. Traveling Expenses and others (Rs. in Lacs)	NIL	NIL	

FORM B
FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

1. Specific Area in which R & D carried out by the Company	i)	Development of High Grade Absorbent Kraft
	ii)	Value Added Product like Parchment and Light Weight Papers
	iii)	Energy Conservation
2. Benefit derived as a result of above R & D	i)	High Realization
	ii)	Reduction in Energy Cost
	iii)	Increase in the efficiency of the Machines
3. Future Plans	i)	Production of Value Added Papers
4. Expenditure of R & D		
a. Capital		Rs. 23.12 Lac
b. Recurring		Rs. 93.72 Lac
c. Total		Rs. 116.84 Lac
d. Total R & D expenditure as % of Total Turnover		2 %



CORPORATE GOVERNANCE REPORT

Company's philosophy on Corporate Governance endeavors to achieve highest levels of transparency and equity in all its operations and its dealing with all its stakeholders including the shareholders, the government and lenders.

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Your Company always has been committed to good corporate governance and strives to attain the highest degree of transparency, accountability and equity in all fields of operations.

The Company will continue its efforts in raising the standards in Corporate Governance and will also review its systems and operations constantly to keep pace with the changing economic environment.

2. BOARD OF DIRECTORS

(a) Category & Composition

The Board of the company at present consists of three Directors, in which two are Non-Executive Directors and one is Executive Director and all are Independent Directors.

Name of Director	Category / Status	No. of Outside Directorships held
Shri Mahesh Mehta	Independent, Non-Executive	One
Shri Akhilesh K. Sharma	Independent, Executive	None
Shri Ramniklal Salgia	Independent, Non-Executive	None

(b) Board Meetings & Attendance of Directors

The Board of Directors met Six times during the financial year 2011-12. These meetings were held on 30th May 2011, 29th July 2011, 31st August 2011, 31st October 2011, 19th January 2012 and 30th January 2012.

Name of Director	Category / Status	No. of Meeting Attended
Shri Mahesh Mehta	Independent, Non-Executive	Six
Shri Akhilesh K. Sharma	Independent, Executive	Six
Shri Ramniklal Salgia	Independent, Non-Executive	Six

3. CODE OF CONDUCT

The Company has formulated and implemented a code of conduct for Board Meetings and Senior Management of the company. Requisite annual affirmations of compliance with the respective code have been made by the Directors and Senior Management of the Company.

4. COMMITTEES OF DIRECTORS

(a) Audit Committee

The Audit Committee met five times during the financial year 2011-12. These meetings were held on 30th May 2011, 29th July 2011, 31st August 2011, 31st October 2011 and 30th January 2012.

The Audit Committee comprises the following executive and non-executive independent members of the Board.

Name of Director	Category / Status	No. of Meeting Attended
Shri Mahesh Mehta	Independent, Non-Executive	Five
Shri Akhilesh K. Sharma	Independent, Executive	Five
Shri Ramniklal Salgia	Independent, Non-Executive	Five

The terms of reference of the Audit Committee include:

- i) To review the Company's financial reporting process and its financial statements.
- ii) To review the accounting and financial policies and practices.
- iii) To review the efficacy of the internal control mechanism and monitor the management policies adopted by the company and ensure compliance with regulatory guidelines.
- iv) To review reports furnished by the internal and statutory auditors and ensure that suitable follow up action is taken.
- v) To examine accountancy, taxation and disclosure aspects of all significant transactions.

The terms of reference of this committee are wide enough to cover the matters specified under Clause 49 of the Listing Agreement as well as in section 292A of the Companies Act, 1956.

(b) Remuneration Committee

(I) Broad terms of reference:

The Company has constituted a Remuneration Committee to review the remuneration package of the Directors, and recommend suitable revisions to the Board in accordance with the Companies Act, 1956.

(ii) Composition:

The committee comprises the following non executive independent directors:

Shri Mahesh Mehta
Shri Ramniklal Salgia

(iii) No. of meetings held: Nil

(c) Shareholders/Investor Grievances Committee

(I) The Company has constituted the shareholders / Investors grievance committee comprising Shri Mahesh Mehta and Shri Ramniklal Salgia Independent Non-Executive Director, Shri Akhilesh K. Sharma Independent Executive Director.

(ii) The Shareholders / Investor Grievances Committee met two times during the financial year 2011-12. These meetings were held on 29th July 2011 and 30th January 2012.

(iii) The committee deals with various matters relating to:

- Transfer / transmission of shares
- Review of shares dematerialised and all other related matters
- Monitoring of expeditious redressal of investor grievances
- Other matters relating to shares

(iv) Details of Shareholders complaints:

There were no complaints pending for disposal as on 31st March, 2012.

(v) Compliance Officer:

Shri Ramesh Phadatare is the compliance officer of the company.

(vi) Company Web site : www.ramapulp.com

The Company has uploaded all the compliances as per Listing Agreement like Shareholding Pattern, Quarterly Results, Annual Reports, Corporate Governance Report etc. on the above mentioned company's web site.

(vii) E mail : inverstor@ramapulp.com

5. DISCLOSURE OF MATERIAL TRANSACTIONS TO THE BOARD

No transaction of material nature has been entered into by the Company with the Promoters, Directors or the Management, their subsidiaries or relatives etc. that may have a potential conflict with interest of the Company.

6. OTHER DISCLOSURES RECOMMENDED BY THE SEBI COMMITTEE

A. Details of Annual General Meeting:

(i) The last three Annual General Meetings of the Company were held at Paithan Road, Aurangabad 431 005 as under :

Financial Year	Date	Time
2008-2009	31 st July, 2009	11.00 AM
2009-2010	30 th September, 2010	11.00 AM
2010-2011	30 th September, 2011	11.00 AM

(ii) Whether Special Resolutions were put through postal ballot last year "No"

(iii) Are votes proposed to be conducted through postal ballot this year "No"

B. Disclosure of Related Party Transactions:

None of the "Related Party Disclosure" as per requirement of "Accounting Standard 18" took place during the year.

C. Details of non compliance by the Company, penalties imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years : None

D. Means of Communication :

The Board of Directors of the Company approves and takes on record the unaudited financial results in the manner prescribed by the Stock Exchange Mumbai and announces the results to the stock exchanges where the company is listed.

7. GENERAL SHAREHOLDERS INFORMATION

1) Registered Office : Paithan Road,
Aurangabad 431 005

2) Annual General Meeting :

Date & Time	7 th September 2012 at 11.00 A.M.
Venue	Paithan Road, Aurangabad
Pin	431 005

3) Financial Calendar (Tentative) :

Annual General Meeting	7 th September, 2012
Results for Quarter Ending 30 th June 2012	Last Week of July, 2012
Results for Quarter Ending 30 th Sep. 2012	Last Week of Oct., 2012
Results for Quarter Ending 31 st Dec. 2012	Last Week of Jan., 2013
Results for Quarter Ending 31 st March 2013	Last Week of April 2013
Annual General Meeting	September 2013

4) Date of Book Closure: 5th September 2012 to 7th September 2012

5) Listing of equity shares on Stock Exchanges at: Mumbai & Ahmedabad

6) Status of listing fees: Paid for the year 2012-13

7) Registrar & Share Transfer Agents:
Big-share Services Private Limited

8) Stock Code: Scrip Code:
Bombay Stock Exchange - 502587
Trading Symbol:
Bombay Stock Exchange - RAMAPULP

9) Demat ISIN Number in NSDL & CDSL for Equity Shares: INE777A01015

10) Corporate Identification Number :
L21010MH1980PLC022820

11) Stock Market Price Data:

Month	Stock Market Price		Month	Stock Market Price	
	High	Low		High	Low
April 2011	16.00	13.05	Oct. 2011	12.60	10.00
May 2011	14.20	11.55	Nov. 2011	11.45	8.01
June 2011	15.75	12.61	Dec. 2011	10.84	7.00
July 2011	14.19	12.00	Jan. 2012	8.90	7.50
Aug. 2011	13.55	9.60	Feb. 2012	9.34	7.87
Sept. 2011	12.60	9.80	Mar. 2012	9.50	7.50

Source - BSE web site: www.bseindia.com

12) Share Transfer System: The Company's Shares are covered under compulsory dematerialisation and are transferable through the Depository System. Shares sent for transfer in physical form are registered & returned within a period of thirty days from the date of receipt of the documents, provided the documents are valid and complete in all respects.

13) Distribution of Share Holding as on 31st March 2012.

No. of Equity Share held in Rs.	No. of Share Holders	% of Share Holders	Amount in Rs.	% of Total
1-5000	5794	78.54	10287460	9.35
5001-10000	730	9.90	6335510	5.76
10001-20000	397	5.38	6497580	5.91
20001-30000	144	1.95	3767010	3.42
30001-40000	72	0.98	2631000	2.39
40001-50000	70	0.95	3376350	3.07
50001-100000	87	1.18	6150070	5.59
100001-above	83	1.12	70955020	64.51
Total	7377	100%	110000000	100%

14) Shareholding Pattern as on 31st March, 2012

Sr. No.	Category	No. of Shares held	% of Share holding
A	Promoters	21,24,059	19.31
B	Indian Financial Institutions/ Banks / Mutual Funds	11,400	0.10
C	Foreign Institutional Investors / NRI's	2,33,076	2.11
D	Others	86,31,465	78.48
	TOTAL	110,00,000	100.00

15) Plant : Plot No. 293-296, Phase II, G.I.D.C.,
VAPI - 396 195, GUJARAT.

16) Investor Correspondence:

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address and any other query relating to the shares of the company, please write to:

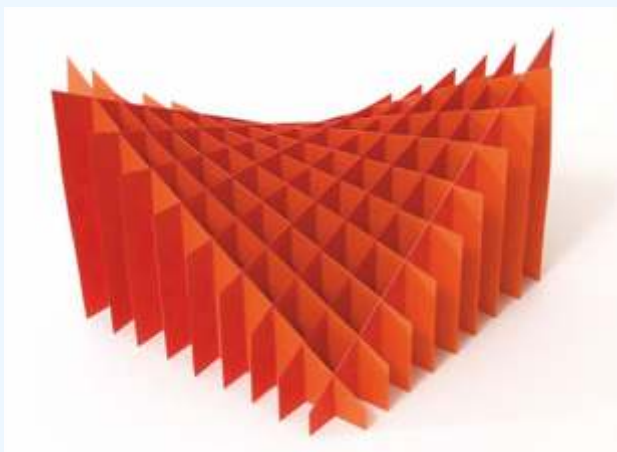
Bigshare Services Pvt. Ltd.
E2/3, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri (East), Mumbai - 400 072.
Phone No. 28470652, 40430200
E Mail : info@bigshare.com

For and on behalf of the Board,

Mahesh Mehta
Director

Place : Mumbai

Date : 31st July, 2012



**MANAGEMENT DISCUSSIONS
AND ANALYSIS**

1. Industry Structure and Development

Your company is one of the well known paper mill manufacturing specialty grade papers in India. The company has state-of-the-art facilities to manufacture various grades of papers ranging from 18 GSM to 120 GSM. The company is strategically located at Vapi in the state of Gujarat having necessary infrastructure facilities. Presently the company manufactures various types of papers such as Writing & Printing, Absorbent Kraft, Carbon Base, Poster and Napkin grade tissue paper.

The company has achieved leadership position in the segments of Carbon base paper (OTC) and Absorbent Kraft paper and is the market leader in these segments. With a dedicated and competent technical and marketing team along with innovative marketing strategies, we are poised to capture higher market share.

2. Opportunities and Threats

The company has adequate infrastructure facilities such as land and uninterrupted supply of water and power. Apart from this, company has the flexibility to manufacture various grades of paper, which gives the company distinct competitive advantage. Company is in the process of developing products like Wax Match, Thermal and Electrical grade kraft papers.

Your company expects the competition to grow in years to come. There is also a possibility of shrinking of market for OTC grade of paper. The company continues to face challenges on account of ever escalating cost of inputs. Devaluation of rupee has created further pressure on cost of inputs. Your company is committed to meet these challenges by improving productivity and innovating processes to achieve reduction in production cost. The capital investment being made for increasing production capacities would also help your company in maintaining its cost leadership.

3. Internal Control Systems and their adequacy

The company exercises adequate internal controls through internal audits and operational reviews.

4. Financial performance with respect to operational performance

The company has registered EBIDTA of Rs.530 lacs and a net profit of Rs.372 lacs in the current year as against the EBIDTA of Rs.467 lacs and a net profit of Rs.367 lacs in the previous year.

5. Development in human resources/industrial relations front

Your company considers the will and caliber of human resources as crucial to its success. Towards this end, your company organizes systematic programmes for on the job training and appropriate system of recognition and rewards. The industrial relation at your company continues to be cordial.

For and on behalf of the Board

Mahesh Mehta
Director

Place: Mumbai
Date : 31st July, 2012



**AUDITORS CERTIFICATE ON
COMPLIANCE OF CONDITIONS OF
CORPORATE GOVERNANCE :**

To
The Members of
M/s. Rama Pulp and Papers Limited

We have examined the compliance of conditions of corporate governance by Rama Pulp and Papers Limited for the year ended 31st March 2012, as stipulated in clause 49 of the Agreements of the said company with stock exchanges in India.

The compliance of conditions of the corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and explanation given to us, we certify that the company has generally complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement, except that the company is in the process of appointing a Company Secretary.

On the basis of the representation received from Registrar & Share Transfer Agents and as per the records maintained by the company which are presented to the share Transfer Approval committee, we state that no investor grievances are pending exceeding one month as on 31st March 2012.

We further state that such compliance is neither an assurance as the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company .

For N. R. AGRAWAL & CO.,
Chartered Accountants

N. R. AGRAWAL
Partner
M. No. 30117

Place : Mumbai
Date : 30th May 2012

AUDITORS' REPORT

Report of the Auditors to the Shareholders of M/s. Rama Pulp & Papers Ltd.

We have audited the Balance Sheet of M/s. Rama Pulp & Papers Ltd., as at 31st March 2012, the Statement of Profit and Loss and also the Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order, to the extent applicable to the Company.
3. Further to our comments in the Annexure referred to in Para 2 above, we report that :
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, the Company has kept proper books of accounts as required by law as far as it appears from our examination of those books;

- c) The Balance Sheet, Statement of Profit & Loss and Cash Flow statement are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow statement dealt by this report comply with the Accounting Standards referred to in section 211 (3C) of the Companies Act, 1956;
- e) On the basis of written representations received from the directors of the company and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2012 from being appointed as a Director U/s 274(1)(g) of the Companies Act, 1956;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with Significant Accounting Policies and Notes thereon and attached thereto, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view;
 - (i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2012;
 - (ii) In the case of Statement of Profit and Loss, of the Profit of the company for the year ended on that date; and
 - (iii) In the case of the Cash Flow statement, of the Cash Flows for the year ended on that date.

For N. R. AGRAWAL & CO.
Chartered Accountants

N. R. AGRAWAL
Partner
M. No. 30117

Place: Mumbai
Date: 30th May, 2012

M/s. Rama Pulp & Papers Limited

ANNEXURE TO THE AUDITORS' REPORT

ANNEXURE I IN TERMS OF PARA 2 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF M/s RAMA PULP & PAPERS LTD ON THE ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH 2012.

- 1) (a) The Company has maintained proper records in respect of its fixed assets showing full particulars including quantitative details and situation of fixed assets.
 - (b) As informed to us, the fixed assets have been physically verified by the management during the year at reasonable intervals and we are informed that no material discrepancies have been noticed on such verification.
 - (c) No substantial part of the fixed assets has been disposed off during the year.
 - (d) None of the fixed assets were revalued during the year.
- 2) (a) The physical verification of goods, stores and spare parts have been conducted by the management during the year & in our opinion the frequency of verification was reasonable.
 - (b) Procedure of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) The Company is maintaining proper records of inventory and no material discrepancies have been noticed on physical verification of stock as compared to book records.
- 3) The Company has neither granted nor taken any loans, secured or unsecured to and from companies, firms or other parties covered in the register maintained under Section 301 of companies Act, 1956. Accordingly, the provision of other clauses of the order is not applicable to the Company.
- 4) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regards to purchase of stores, raw material and components plant and machinery and other assets, and also for the sale of goods.
- 5) The Company has not entered into any transaction that need to be entered into the register maintained under section 301 of the Companies Act, 1956, accordingly, the provision of clauses of the order are not applicable to the Company.
- 6) The Company has not accepted any public deposits during the year within the meaning of section 58A and section 58AA of the Companies Act, 1956 and the rules framed there under.
- 7) The Company has an internal audit system commensurate with the size and nature of its business.
- 8) The Company has maintained the cost records as required under section 209(1) (d) of the Companies Act, 1956 that we have broadly reviewed. We have, however not made detailed examination of this record.
- 9) According to the records of the company, the company is regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Excise Duty, Sales Tax, ESIC dues with the appropriate authorities
- 10) The Company has not incurred cash losses during the current financial year and in the immediately preceding financial year.
- 11) The Company did not have any outstanding dues to any financial institutes, banks or debenture holders during the year.
- 12) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities and In our opinion the security, terms and conditions on which they are given & whether they are prejudicial to the interest of the company or not is not applicable.

- 13) The Company is not a chit/nidhi/mutual benefit funds/society.
- 14) According to the information given to us, the company is not dealing in or trading in Shares, Securities, Debentures or other investment.
- 15) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by its wholly owned subsidiary Company from a bank.
- 16) The Company has not raised any term loan during the year.
- 17) According to the information and explanations given to us and an overall examination of the Balance Sheet of the Company and the Fund Flow based on the Audited Accounts, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- 18) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 19) The Company has not issued any debentures during the year.
- 20) The Company has not raised any money by way of public issue during the year.
- 21) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For N. R. AGRAWAL & CO.,
Chartered Accountants

N. R. AGRAWAL
Partner
M. No. 30117

Place: Mumbai
Date: 30th May, 2012



BALANCE SHEET AS AT 31st MARCH 2012

(Rs. in Lacs)

Particulars	Note No.	31 st March 2012	31 st March 2011
EQUITY AND LIABILITIES			
Share Holder's Funds			
Share Capital	1	1,100.00	1,100.00
Reserves and Surplus	2	2,553.54	2,342.72
		3,653.54	3,442.72
Non Current Liabilities			
Long Term Borrowings	3	30.83	-
Deferred Tax Liabilities (Net)	4	1.21	(118.10)
Long Term Provisions	5	12.04	12.07
		44.08	(106.03)
Current Liabilities			
Short Term Borrowings	6	446.98	434.36
Trade Payable	7	273.84	199.58
Other Current Liabilities	8	150.93	180.72
Short Term Provisions	9	11.94	74.11
		883.69	888.77
TOTAL		4,581.31	4,225.46
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	1,416.53	1,505.96
Capital Work in Progress		39.78	7.96
Long Term Loans and Advances	11	797.60	297.64
		2,253.91	1,811.56
Current Assets			
Inventories	12	456.32	364.33
Trade Receivable	13	1,363.31	1,214.13
Cash and Cash equivalents	14	46.23	397.86
Short Term Loans and Advances	15	461.54	437.58
		2,327.40	2,413.90
TOTAL		4,581.31	4,225.46
Significant Accounting Policies and Notes on Financial Statement	26-37		

 In terms of our report attached
 For N. R. Agrawal & Co
 Chartered Accountants

 N. R. AGRAWAL
 (Partner)
 M No. 30117
 Place : Mumbai
 Date : 30th May, 2012

For and on behalf of the Board

 MAHESH MEHTA
 (DIRECTOR)

 AKHILESH K. SHARMA
 (DIRECTOR)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2012

(Rs. in Lacs)

Particulars	Note No.	31 st March 2012	31 st March 2011
Revenue from Operation	16	7,338.49	6,824.19
Less : Excise Duty		<u>239.44</u>	<u>168.08</u>
Net Revenue from Operation		7,099.05	6,656.11
Other Income	17	7.67	13.94
Total Revenue		<u>7,106.72</u>	<u>6,670.05</u>
Expenses			
Cost of Materials Consumed	18	2,835.53	2,410.63
Purchases of Stock in Trade	19	1,825.92	2,084.66
Changes in Inventories of Finished Goods & Stock in Process	20	(36.52)	66.37
Employee Benefits Expenses	21	207.85	174.46
Finance Costs	22	64.94	25.12
Depreciation	23	93.43	73.02
Other Expenses	24	<u>1,743.43</u>	<u>1,468.33</u>
Total Expenses		6,734.58	6,302.59
Profit before Tax		<u>372.14</u>	<u>367.46</u>
Provision for Current Tax		-	-
Profit before Deferred Tax		372.14	367.46
Deferred Tax		(119.31)	(60.80)
Profit for the year		<u>252.83</u>	<u>306.66</u>
Basic Earning per Share (Rs.)	25	2.30	3.36
Diluted Earning per Share (Rs.)		2.30	3.36
Significant Accounting Policies and Notes on Financial Statement	26-37		

In terms of our report attached
For N. R. Agrawal & Co
Chartered Accountants

N. R. AGRAWAL
(Partner)
M No. 30117
Place : Mumbai
Date : 30th May, 2012

For and on behalf of the Board

MAHESH MEHTA
(DIRECTOR)

AKHILESH K. SHARMA
(DIRECTOR)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lacs)

Note No.	Particulars	31 st March 2012		31 st March 2011	
1.	Share Capital				
	Authorised :				
	1,25,00,000 Equity Shares of Rs. 10/- each		<u>1,250.00</u>		<u>1,250.00</u>
	Issued, Subscribed and Fully Paid up				
	1,10,00,000 Equity Shares of Rs. 10/- each		1,100.00		1,100.00
	(Previous Year 1,10,00,000 Equity Shares)		<u>1,100.00</u>		<u>1,100.00</u>
	(a) Reconciliation of Number of Shares				
	Shares Outstanding as at beginning of the year		11000000		7750000
	Add: Conversion of Preferential Share Warrants		-		3250000
	Shares Outstanding as at end of the year		11000000		11000000
	(b) List of Shareholders holding more than 5% of the total Number of Share issued by the Company				
	Akash Farms Pvt. Ltd.	17.55%	1930494	17.05%	1875450
	Tapovan Farms Pvt. Ltd.	14.77%	1625000	14.77%	1625000
Mayo Farms Pvt. Ltd.	14.77%	1625000	14.77%	1625000	
2.	Reserves & Surplus				
	Capital Subsidy		45.00		45.00
	Capital Reserve		0.20		0.20
	Forfeited Share Application Money				
	Opening Balance	31.25		-	
	Add: Cancellation of Preferential Warrants	-		31.25	
	Closing Balance		<u>31.25</u>		31.25
	Share Premium				
	Opening Balance	150.00		-	
	Add: Conversion of Preferential Warrants	-		150.00	
	Closing Balance		150.00		150.00
	General Reserve				
	As per last Balance sheet	300.00		250.00	
	Add: Transfer from Profit & Loss A/c	-		50.00	
			300.00		300.00
	Revaluation Reserve				
		690.12		784.56	
Less: Adjustment of Depreciation	81.13		94.44		
		608.99		690.12	
Profit & Loss Account					
Opening Balance	1,126.15		934.69		
Add: Profit for the Year	252.83		306.66		
Total	<u>1,378.98</u>		<u>1,241.35</u>		
Less : Proposed Dividend	-		55.00		
Add : Reversal of Last year Proposed Dividend	33.00		-		
Less : Tax on Dividend	-		10.20		
Add : Reversal of last year Dividend Tax	6.12		-		
Less : Transferred to General Reserve	-		50.00		
		<u>1,418.10</u>		<u>1,126.15</u>	
		<u>2,553.54</u>		<u>2,342.72</u>	

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lacs)

Note No.	Particulars	31 st March 2012	31 st March 2011
3.	Long Term Borrowings		
	Secured Loan		
	Vehicle Loan (Secured against Hypothecation of Car)	30.83	-
		<u>30.83</u>	<u>-</u>
4.	Deferred Tax Liabilities (Net)		
	Deferred Tax Liabilities		
	Depreciation on Fixed Assets	56.38	55.83
	Less Deferred Tax Assets		
	Employees Benefits	1.58	1.37
	Unabsorbed depreciation and accumulated losses	<u>53.59</u>	<u>172.56</u>
		<u>55.17</u>	<u>173.93</u>
		<u>1.21</u>	<u>(118.10)</u>
5.	Other Long Term Provision		
	Provision for Gratuity - Long Term	<u>12.04</u>	<u>12.07</u>
6.	Short Term Borrowings		
	Secured Loan - CCA/c*	423.89	393.83
	(Loans Repayable on the Demand From Bank)		
	Unsecured Loan		
	Loans From Others	<u>23.09</u>	<u>40.53</u>
		<u>446.98</u>	<u>434.36</u>
<p>* Working Capital Loan is Secured by first charge on entire current asset including Raw Materials, Work in Process, Finished Goods and book debts present and future. Also collateral security of extension of charge of mortgage of Factory Land and Building in the name of the company situated at Vapi and first charge on entire fixed assets of the company existing and future and corporate guarantee by M/s. Akash Farms P. Ltd and personal guarantee of Promoter, Director of M/s. Akash Farms P. Ltd.</p>			
7.	Trade Payable		
	Trade Payable (Ref. Note No. 35)	<u>273.84</u>	<u>199.58</u>
8.	Other Current Liabilities		
	Unpaid Dividend	1.99	1.88
	Other Liabilities	130.33	106.73
	Trade Deposit	9.12	12.87
	Current Maturity of Long Term Debts	<u>9.49</u>	<u>59.24</u>
		<u>150.93</u>	<u>180.72</u>
9.	Short Term Provisions		
	Provision for Employees benefit	11.94	8.91
	Provision for Taxation	-	-
	Proposed Dividend and Tax	<u>-</u>	<u>65.20</u>
		<u>11.94</u>	<u>74.11</u>

Note No. 10. Fixed Assets

(Rs. in Lacs)

	GROSS BLOCK		DEPRECIATION			NET BLOCK		
	As at 01.04.2011	Additions During The Year	As at 31.03.2012	As at 01.04.2011	For The Year	Up To 31.03.2012	As at 31.03.2012	As at 31.03.2011
TANGIBLE ASSETS								
LEASE HOLD LAND	270.48	-	270.48	26.44	2.73	29.17	241.31	244.04
BUILDING	857.29	2.69	859.98	400.58	25.95	426.53	433.45	456.71
PLANT AND EQUIPMENT	4436.82	65.28	4502.10	3690.46	140.29	3830.75	671.35	746.36
FURNITURE AND FIXTURE	65.43	0.73	66.16	56.75	0.78	57.53	8.63	8.68
VEHICLES	69.44	16.43	85.87	19.27	4.81	24.08	61.79	50.17
TOTAL	5699.46	85.13	5784.59	4193.50	174.56	4368.06	1416.53	1505.96
TOTAL PREVIOUS YEAR	5419.96	279.50	5699.46	4026.04	167.46	4193.50	1505.96	1393.92
CAPITAL WORK IN PROGRESS							39.78	7.96

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lacs)

Note No.	Particulars	31 st March 2012	31 st March 2011
11.	Long Term Loans and Advances (Unsecured, considered Good)		
	Capital Advance for the purchase of Land	500.00	-
	Security deposits	297.60	297.64
		<u>797.60</u>	<u>297.64</u>
12.	Inventories (Valued at cost and as certified by the Management)		
	Raw Materials	272.68	219.68
	Coal/Lignite	8.13	8.64
	Stores, Spares & Tools	48.36	45.39
	Finished Goods	117.87	88.41
	Stock in Process	9.28	2.21
		<u>456.32</u>	<u>364.33</u>
13.	Trade Receivables (Outstanding for a Period exceeding six month from the date they were due for Payment)		
	Unsecured, Considered Good	262.30	234.48
	Considered Doubtful	27.70	27.70
	Less: Provision for Doubtful	27.70	27.70
	Other Trade Receivables Unsecured, Considered Good	1101.01	979.65
		<u>1,363.31</u>	<u>1,214.13</u>
14.	Cash and Cash equivalents		
	Cash on hand	10.55	1.48
	Balances with banks		
	In Current Accounts	32.69	386.50
	Margin Money for Guarantee	1.00	8.00
	Unpaid Dividend Account	1.99	1.88
		<u>46.23</u>	<u>396.38</u>
15.	Short Term Loans and Advances (Unsecured, considered Good)		
	Loans and Advances to Others	398.69	350.29
	Prepaid Expenses	5.47	3.31
	Balances with government authorities	31.96	44.75
	Loans and Advances to employees	6.87	7.11
	Others	18.55	32.12
		<u>461.54</u>	<u>437.58</u>



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lacs)

Note No.	Particulars	31 st March 2012	31 st March 2011
16.	Revenue from Operation		
	Manufacturing Goods	5,407.93	4,565.53
	Trading Goods		
	Waste Paper	1,878.58	888.24
	Chemicals	-	1,309.39
	Other Operating Revenue	51.98	61.03
		<u>7,338.49</u>	<u>6,824.19</u>
17.	Other Income		
	Interest from Fixed Deposits	5.29	10.08
	Interest from Other	-	0.59
	Other Misc Income	2.38	3.27
		<u>7.67</u>	<u>13.94</u>
18.	Cost of Materials Consumed		
	Raw Materials		
	Opening Stock	219.68	97.63
	Add-Purchases	2,888.53	2,532.68
	Less: Closing Stock	272.68	219.68
		<u>2,835.53</u>	<u>2,410.63</u>
19.	Purchase of Stock in Trade		
	Purchases of Waste Papers	1,825.92	863.86
	Purchases of Chemical	-	1,220.80
		<u>1,825.92</u>	<u>2,084.66</u>
20.	Change in Inventories of Finished Goods & Stock in Process		
	Opening Stock of Finished Goods & Stock in Process	90.63	157.00
	Closing Stock of Finished Goods & Stock in Process	127.15	90.63
		<u>(36.52)</u>	<u>66.37</u>
21.	Employee Benefit Expenses		
	Salaries & Wages	146.82	123.86
	Contribution to Employee's P.F. & Other Fund	11.85	10.45
	Staff Welfare Expenses	49.18	40.15
		<u>207.85</u>	<u>174.46</u>
22.	Finance Cost		
	Interest on Loans & Others	64.89	22.86
	Exchange Rate Difference	0.05	2.26
		<u>64.94</u>	<u>25.12</u>
23.	Depreciation		
	Depreciation for the year	174.56	167.46
	Less: Adjustment of Revaluation Reserve	81.13	94.44
		<u>93.43</u>	<u>73.02</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lacs)

Note No.	Particulars	31 st March 2012	31 st March 2011
24.	Other Expenses		
	Manufacturing Expenses		
	Consumption of Stores & Spares	185.00	192.38
	Transportation & Materials Handling	91.43	74.54
	Power & Fuel	1,172.57	939.42
	Repair to Plant & Machinery	8.35	9.39
	Repair to Building	1.14	3.40
	Repair to Others	1.38	0.70
	Water Charges	22.44	29.64
		<u>1,482.31</u>	<u>1,249.47</u>
	Selling and Distribution Expenses		
	Discount on Sales	168.31	120.51
	Establishment Expenses		
	Rent, Rates & Taxes	2.77	2.72
	Insurance Charges	3.67	4.34
	Administrative Expenses	83.74	88.43
	Internal Audit Fees	1.68	1.48
	Cost Audit Fees	0.10	0.10
	Audit Fees	0.35	0.35
	Tax Audit Fees	0.25	0.25
	Income Tax Matters	0.12	0.60
	Auditors Re-imbursement Expenses	0.13	0.08
		<u>92.81</u>	<u>98.35</u>
		<u>1,743.43</u>	<u>1,468.33</u>
25.	Earning per Share		
	Profit after Tax (Rs. Lacs)	252.83	306.66
	Weighted average no. of Equity Shares outstanding	110,00,000	91,25,000
	Face Value of each Equity Share (Rs.)	10.00	10.00
	Earnings per Share - Basic (Rs.)	2.30	3.36
	Earnings per Share - Diluted (Rs.)	2.30	3.36



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

26 SIGNIFICANT ACCOUNTING POLICIES:

- i. **BASIS OF ACCOUNTING:** The financial statements are prepared under the historical cost convention on the accrual basis of accounting and in accordance with Accounting principles generally accepted in India and comply with the accounting standards notified by the Central Government of India, under the Companies (Accounting Standards) rules 2006 and relevant provisions of the Companies Act, 1956.
- ii. **USE OF ESTIMATES:** The preparation of the financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and the disclosures relating to contingent assets and liabilities as on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from these estimates.
- iii. **INVENTORIES:** Inventories are valued at the lower of cost (net of cenvat where applicable) and net realizable value. Cost includes cost of purchase, cost of conversion, and other costs incurred in bringing the inventories to their present location and condition. The method of determination of cost of various categories of inventory are as follows:
 - a) Raw Materials and Chemicals: – On First in First Out Method.
 - b) Finished goods and Work in Progress:- Weighted average cost of Production, which includes appropriate production overheads or Net Realizable Value which ever is lower.
 - c) Stores & Spare and packaging material :- Weighted average method.
- iv. **FIXED ASSETS AND DEPRECIATION:** Fixed assets are stated at cost net of recoverable taxes and includes amount added on revaluation, less accumulated depreciation and impairment loss, if any. All costs including finance cost till commencement of commercial production attributable to the fixed assets are capitalized. Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date are disclosed as “Capital Advances” under Long Term Loans and Advances. Cost of fixed assets not ready to use before such date are disclosed under “Capital Work- in- Progress”.

Fixed assets are depreciated pro rata to the period of use, based on straight line method at the rates prescribed under Schedule XIV of the Companies Act, 1956.

No Depreciation has been charged on the assets, which have been fully depreciated. Depreciation on the revalued portion of the fixed assets is charged to Revaluation Reserve Account.
- v. **IMPAIRMENT OF ASSETS:** An asset is treated as impaired when the carrying cost of assets exceeds its recoverable amount. An impairment loss is charged to the profit & loss account when an asset is identified as impaired. Reversal of impairment loss recognized in prior periods is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased. Post impairment, depreciation is provided on the revised carrying value of the assets over its remaining useful life.
- vi. **RESEARCH AND DEVELOPMENT:** Revenue expenditure incurred on research and development activities is expensed. Fixed assets, relating to research and development are capitalized and depreciation provided there on.
- vii. **REVENUE RECOGNITION:** Revenue is recognized only when it can be readily measured and it is reasonable to expect ultimate collection. Sales are accounted net of Excise Duty, returns, Sales Tax and freight. Revenue from services is recognized when services are rendered to customers. Interest income is recognized using

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

time proportion method except interest received from G.E.B. Deposit which is recognized on receipt basis. Dividend Income is accounted when the right to receive is established.

viii. FOREIGN EXCHANGE TRANSACTION: Transactions in foreign currencies are accounted at the exchange rates prevailing on the date of the transactions and the realized exchange loss/gain are dealt with in the Profit & Loss Account. Monetary assets and liabilities denominated in foreign currency are restated at the rates of exchange as on the Balance Sheet date and the exchange/gain loss is suitably dealt with in the Profit & Loss Account.

ix. INVESTMENTS: Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current Investments are stated at lower of cost and fair value. Long term investments are stated at cost of acquisition. Provision for diminution is made when such diminution is considered other than temporary in nature. Valuation is determined on the basis of each category of investments.

x. EMPLOYEE BENEFITS :

DEFINED CONTRIBUTION PLAN: Fixed contributions to Provident Fund and Employees State Insurance are recognized in the accounts at actual cost to the company.

DEFINED BENEFIT PLAN: The gratuity liability is determined on the basis of actuarial valuation as at year end. Provision in respect of leave encashment is made based on the basis of actual leave balance of employees at the end of the Year in accordance with Accounting Standard-15 on "Accounting for retirement Benefits in the financial statement of Employer" as issued by the Institute of Chartered Accountants of India.

xi. TAXATION :

- a. Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.
- b. Deferred tax is calculated at the rates and laws that have been enacted or substantively enacted as of the Balance Sheet date and is recognized on timing difference that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence, are recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

xii. SEGMENT REPORTING :

- (a) The accounting policies adopted for segment reporting are in line with the accounting policies of the company.
- (b) Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise a whole and are not allocable to segments on a reasonable basis, have been included under unallocated expenses.

xiii. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS :

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent Liabilities are not recognised, but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

27. Capital Commitments :

Expenditure during construction/erection period is included under Capital Work-in-Progress and will be allocated to the respective fixed assets on completion of construction/erection.

Particulars	As at 31.03.2012 (Rs. in Lacs)	As at 31.03.2011 (Rs. in Lacs)
Estimated amount of contracts remaining to be executed on capital account	120.94	Nil

28. Contingent Liabilities :

Claims against the Company not acknowledged as debts hence not provided	As at 31.03.2012 (Rs. in Lacs)	As at 31.03.2011 (Rs. in Lacs)
(I) Suits filed by Trade Payable	-	0.14
(ii) Bank Guarantee given to the GPCB	1.00	1.00

29. Value of Imported & Indigenous Materials and Components consumed : (on CIF basis)

Account Head	2011-12		2010-11	
	Rs. in Lacs	Percentage	Rs. in Lacs	Percentage
(a) Raw Material				
Imported	1811.08	63.87	1398.11	58.00
Indigenous	1024.45	36.13	1012.52	42.00
	2835.53	100.00	2410.63	100.00
(b) Stores and Spare Parts				
Imported	3.55	1.92	0.54	0.28
Indigenous	181.45	98.08	191.84	99.72
	185.00	100.00	192.38	100.00

Note: Components and Spare Parts referred to in Para 4 D (c) of part II of Schedule VI to the Companies Act, 1956 are assumed to be those incorporated in goods produced and not those used for maintenance of Plant and Machinery.

30. a Earnings in Foreign Exchange:
 Receipt - Against Export Goods Rs. 357.96 Lacs
- b Expenditure in foreign currency:
 Purchase of Imported Raw Materials Rs. 1554.01 Lacs

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

31. Segment Information :

The Company has identified one reportable business segment i.e. Manufacturing and Trading of Paper during the year

Taking into account nature of the products and services, the differing risk and returns, revenue and expenses related to enterprise as a whole and are not allocable to a segment has been disclosed as un-allocable. Investments, tax, related assets and other assets and liabilities that cannot be allocated to a segment have been disclosed as un-allocable.

Particulars	Paper (Rs. in Lacs)		Trading in Chemicals (Rs. in Lacs)		TOTAL (Rs. in Lacs)	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
<u>REVENUE</u>						
External Sales	7343.78	5521.57	-	1309.39	7343.78	6830.96
Inter Segment Transfer	-	-	-	-	-	-
Un-allocable Revenue	-	-	-	-	2.38	7.17
TOTAL REVENUE	7343.78	5521.57	-	1309.39	7346.16	6838.13
SEGMENT RESULT	437.08	301.73	-	88.59	437.08	390.32
Interest Expenses	-	-	-	-	64.94	22.86
<u>PROFIT BEFORE TAXES</u>	-	-	-	-	372.14	367.46
Current Tax	-	-	-	-	-	-
Deferred Tax Asset	-	-	-	-	(119.31)	(60.80)
PROFIT AFTER TAX	-	-	-	-	252.83	306.66
<u>OTHER INFORMATION</u>						
ASSETS						
Segment Assets	4249.52	3110.96	331.78	359.23	4581.30	3470.19
Un-allocable Assets	-	-	-	-	-	817.18
Segment Assets	927.78	785.36	-	-	927.78	785.36
Un-allocable Assets	-	-	-	-	-	115.48

Geographical reportable segment

The company produces and sales, its products in India & also Export the same directly or indirectly to overseas countries. The overseas sales operations are managed by its office located in India. For the purpose of AS 17 regarding segment reporting secondary segment information on geographical segment is considered on the basis of revenue generated from Domestic & Export market.

Particulars	2011-12			2010-11		
	Domestic	Export	Total	Domestic	Export	Total
Revenue	7022.46	323.70	7346.16	6526.15	311.98	6838.13
Carrying Amount of Trade Receivable	1363.31	-	1363.31	1195.52	14.06	1209.58
Carrying Amount of Assets Other than Trade Receivable	3217.99	-	3217.99	3133.98	-	3133.98
Addition to Fixed Assets & Intangible Assets	85.13	-	85.13	279.50	-	279.50

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

32. FIXED ASSETS:

Land, Buildings, Plant & Machinery and Furniture & Fixture were revalued for Rs. 1255.54 lacs as on 31.03.1993 and Rs. 925.77 lacs as on 31.03.2004. The revaluation in respect of these assets on based on current replacement cost by the Approved Valuer appointed for the purpose. As a result, the increased book value of such assets as above has been transferred to Revaluation Reserve in respective year.

33. TAXATION:

- (a) No provision has been made for current income tax due to carry forward benefit of profit earned u/s 115JB(2)(ix), for the years starting from the year in which company has become sick industrial company ending with the year in which entire net-worth of the company becomes equal or exceeds the accumulated losses.
- (b) As per AS-22 "Accounting for Taxes on Income" Deferred Tax Assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which Deferred Tax Assets can be realised. Deferred Tax Asset are reviewed at each Balance Sheet date.

The calculation of Deferred Tax Assets and Deferred Tax Liability is as follows :	As at 31.03.2012 (Rs. in Lacs)	As at 31.03.2011 (Rs. in Lacs)
Assets		
(a) Deferred tax assets arising on account of timing differences :-		
(i) Unabsorbed business loss / depreciation	53.59	172.56
(ii) Payment of Statutory dues	1.58	1.37
Liability		
(b) Deferred tax liabilities arising on account of timing differences :-		
Depreciation	56.38	55.83
Net Deferred Tax Asset	-	118.10
Net Deferred Tax Liability	1.21	-

34. MISCELLANEOUS:

There are no claims for interest payment from any supplier with reference to interest on delayed payments to Small and Ancillary Industrial Undertakings Ordinance, 1992.

35. Micro, Small and Medium Enterprises Development Act, 2006 In accordance with the Notification No. GSR 719 (E) dt 16.11.2007, issued by the Ministry of Corporate Affairs, certain disclosures are required to be made relating to Micro and Small Enterprises as defined under the Micro, Small and Medium Development Act 2006. The Company is in the process of compiling relevant information from its suppliers about their coverage under the said Act. Since the relevant information is still not available, no disclosures have been made in the accounts.

36. The Revised Schedule VI has become effective from 1st April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements.

37. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

In terms of our report attached
For N.R.Agrawal & Co,
Chartered Accountants

N.R.Agrawal
Partner
M.No.:30117
Place : Mumbai
Date: 30th May, 2012

For and on behalf of the Board

Mahesh Mehta
Director

Akhilesh K. Sharma
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

(Rs. In lacs)

Particulars	31st March 2012		31st March 2011	
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax :	372.14		367.47	
Adjustment for :				
Depreciation	93.43		73.02	
Finance Cost	64.94		25.12	
Operating Profit before Working Capital Changes		530.51		465.61
Changes in Working Capital				
Adjustment for (increase)/Decrease in operating Assets				
Inventories	(91.99)		(67.99)	
Trade Receivable	(149.18)		(381.73)	
Short Term Loans and Advances	(23.95)		(364.49)	
Long Term Loans and Advances	(499.96)		0.09	
		(765.08)		(814.12)
Adjustment for (increase)/Decrease in operating Liabilities				
Trade Payables	74.25		65.45	
Other Current Liabilities	(29.78)		9.20	
Short Term Provisions	3.03		-	
Long Terms Provisions	(0.03)		-	
Cash Generated from Operations		47.47		74.65
Net Cash-Flow from Operating Activity (A)		(187.10)		(273.86)
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(85.13)		(279.50)	
Change in Capital Work in Process	(31.82)		103.34	
Net Cash-Flow from Investing Activity (B)		(116.95)		(176.16)
CASH FLOW FROM FINANCING ACTIVITIES :				
Short Term Borrowings	12.62		447.45	
Long Term Borrowings	30.83		-	
Finance Cost	(64.94)		(25.12)	
Increase in Capital	-		325.00	
Decrease in Reserve and Surplus	-		(156.25)	
Dividend Paid	(22.00)		(51.19)	
Dividend Distribution Tax paid	(4.08)		-	
Net Cash-Flow from Financing Activity (C)		(47.57)		539.89
Net Increase /(Decrease in cash and cash Equivalents(A+B+C)		(351.62)		89.87
Cash Equivalent at the Beginning of the year		397.86		307.99
Cash Equivalent at the end of the year		46.24		397.86
Net (Decrease) / Increase as disclosed above		351.62		(89.87)

In terms of our report attached
For N. R. Agrawal & Co
Chartered Accountants

N. R. AGRAWAL
(Partner)
M No. 30117
Place : Mumbai
Date : 30th May, 2012

For and on behalf of the Board

MAHESH MEHTA
(DIRECTOR)

AKHILESH K. SHARMA
(DIRECTOR)



RAMA PULP AND PAPERS LIMITED

Regd. Office : Paithan Road, Aurangabad - 431 005.

ATTENDANCE SLIP

NAME OF MEMBER
(in Block Letters)

FOLIO NO.

NAME OF PROXY
(if attending instead of Member)

I hereby record my presence at the 30TH **ANNUAL GENERAL MEETING** of the Company, which will be held at Paithan Road, Aurangabad - 431 005 on Friday 7th September, 2012 at 11.00 a.m.

SIGNATURE OF THE ATTENDING MEMBER / PROXY

Note : Member / Proxyholder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand it over at the entrance duly signed.



RAMA PULP AND PAPERS LIMITED

Regd. Office : Paithan Road, Aurangabad - 431 005.

PROXY FORM

I/We _____

of _____ in the district of _____ being
a Member / Members of above named Company, hereby appoint

_____ of _____ in the district of _____ or failing him

_____ of _____ in the district of _____

_____ as my/our Proxy to attend and vote for me/us and on my / our

behalf at the **30th Annual General Meeting** of the Company, to be held on Friday 7th September, 2012 at 11.00 a.m. and at any adjournment there of.

Signed this _____ day of _____, 20 _____

Registered Folio No. _____

No. of Shares _____

Signature

Affix Rs. 1/- Revenue Stamp
--

This form is to be used _____ *in favour of _____ the resolution. Unless otherwise instructed, the Proxy
will act as he thinks fit. _____ * against _____

* Strike out whichever is not desired.

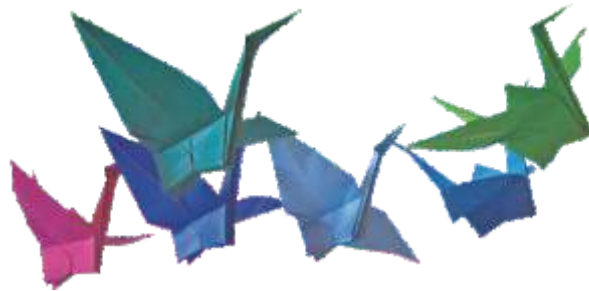
Note : The Proxy must reach the Company's Registered Office at **Paithan Road, AURANGABAD 431 005.** not later than **FORTY EIGHT HOURS** before the time for holding the aforesaid meeting.

30

Years of Excellence



Annual Report 2011-2012



**Rama Pulp
& Papers Limited**

An ISO 9001-2008 Company

Plot No. 293-296, G.I.D.C., Phase II,
Vapi - 396 195, Dist. Valsad. GUJRAT

Printed on paper manufactured by Rama Pulp & Papers Limited