

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.

NOTICE :

NOTICE is hereby given that the 28th Annual General Meeting of Members of Rama Pulp & Papers Limited will be held at the Registered Office of the Company on Thursday 30th September, 2010 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, 2010, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on equity share.
3. To appoint a Director in place of Shri Akhilesh K. Sharma who retires by rotation & being eligible, offers himself for re-appointment.
4. 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 August, 2010

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 28th September 2010 to 30th September 2010, both days inclusive.





DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 28th Annual Report of your Company together with the Audited Accounts drawn for the year ended 31st March, 2010.

(Rs. in Lacs)

FINANCIAL RESULTS		
Particulars	Year Ended	
	31.03.2010	31.03.2009
Sales Turnover (including Other Income)	5203	5796
Profit before Interest, Depreciation	469	298
Interest, Depreciation & Prior Year Exp.	101	83
Profit before Income Tax	368	215
Surplus brought forward from the Previous Year	809	574
Deferred Income Tax	(141)	(75)
Proposed Dividend & Tax	51	-
Surplus carried to Balance Sheet	935	809
EPS (Rs.)	2.93	2.45

REVIEW OF OPERATIONS

During the year under review, the paper industry has come back on a resurgence path and your company was able to reap the benefit. Despite the persistent increase in the cost of raw material, coal, exchange rate difference, your company had improved the level of performance achieved during earlier years.

During the year under review your Company has recorded Net Profit of Rs.368.00 Lacs. Though the sales turnover has shown some slight decrease over the corresponding period ended 31st March 2009, the profit margin has increased.

FUTURE PLANS

Your company is poised for a sustained organic as well as inorganic growth. On the organic growth front company proposes to increase the capacity of its Speciality Grade papers by 10,000 MTs by putting up a new state-of-the-art paper machine in order to cater

to the growing export demand created by companies like Wall Mart etc.

As far as inorganic growth is concerned, company proposes to install a power generation plant of 52 MW capacity in two phases. The total outlay for this project is estimated to be of Rs.210.00 Crore. In the first phase, it is proposed to install a 12 MW Power plant with a total outlay of Rs.50.00 Crore and in the second phase 40 MW Power plant for an estimated cost of Rs.160.00 Crore.

In addition, the Company proposes to enter into the manufacturing of Sulphur based products such as Sulphur Di-Oxide (SO₂) and Sulphur Tri-Oxide (SO₃). Being a refrigerating agent, Sulphur Di-Oxide (SO₂) has good demand, particularly as a replacement of Freon gas, which is hazardous to Ozone layer and the environment. Sulphur Tri-Oxide (SO₃) will be utilized to manufacture Linear Alkyl Benzene Sulphonic Acid (LABSA), which is the main raw material for making all detergents.

The process of manufacturing SO₂ and SO₃ produces lot of heat, energy and steam, which the company requires for its captive consumption. The high pressure steam, which comes out of the process of manufacturing Sulphur based products, can be utilized to generate power and then the reduced pressure steam will be utilized to manufacture paper. This will substantially reduce the manufacturing cost of paper.

CORPORATE GOVERNANCE

A separate section on Corporate Governance and a Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges, form part of the Annual Report.

DIVIDEND

The Board of Directors of your company were pleased to recommend a Final Dividend of 5% for the year ended 31st March 2010.

AUDITORS REPORT

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

DIRECTORS

Shri Akhilesh K. Sharma 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 ensuing 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

The Directors thank the company's customers, vendors, business associates, bankers and Government authorities for their continued support and co-operation to the company.

The Directors also take this opportunity to appreciate and value the contribution made by every member of the RAMA family 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 August, 2010



ANNEXURE TO THE DIRECTORS' 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.

	<u>2009-10</u>	<u>2008-09</u>
1. CONSERVATION OF ENERGY		
A. POWER & FUEL CONSUMPTION		
I. ELECTRICITY		
a. Purchased (net)		
Unit (Lacs KWH)	31.16	20.30
Total / Amount (Rs. in Lacs)	196.18	122.52
Rate / Unit	6.30	6.04
b. Own Generation		
i) Through Diesel Generator		
Unit (Lacs KWH)	NIL	NIL
Unit per liter % diesel oil	NIL	NIL
Cost / Unit Rs.	N.A.	N.A.
ii) Through Steam Turbine Generator		
Unit (Lacs KWH)	NIL	NIL
Unit per liter % fuel gas/oil	NIL	NIL
Cost / Unit Rs.	N.A.	N.A.
II. COAL (Specify quality and where used)		
Quantity (Tonnes)	7944.851	6619.417
Cost (Rs. in Lacs)	205.63	188.76
Average Rate (Rs.)	2588	2851
III. FURNACE OIL		
Quantity (Tonnes)	NIL	NIL
Cost (Rs. in Lacs)	NIL	NIL
Average Rate (Rs.)	NIL	NIL
B. CONSUMPTION PER TONNE OF PRODUCTION		
Production (Tonnes)	6806.121	6263.134
Electricity (KWH)	458	324
Furnace Oil (K. Litters)	NIL	NIL
Coal (Kgs.)	1167	1056
2. FOREIGN EXCHANGE EARNING AND OUTGO		
A. Foreign Exchange Earned (Rs. in lacs)	372.15	526.89
B. Outgo Foreign Exchange (Rs. in lacs)		
I. Value of Imports (CIF)		
a) Raw Materials (Rs. in lacs)	870.47	649.04
b) Spare Parts and Consumable (Rs. in lacs)	0.00	1.77
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 Absorbent Kraft, Napkin Tissue Papers, Ledger Papers, Cream Wove & S. S. Maplitho Papers. |
| | ii. Value Added Product like Wax Match and lightweight papers. |
| | iii. Energy Conservation. |
| 2. Benefit derived as a result of above R & D | i. High Realization |
| | ii. Reduction in Energy Cost. |
| 3. Future Plans | i. Production of Value Added Papers. |
| 4. Expenditure on R & D | |
| a) Capital | Rs. 27 lacs |
| b) Recurring | Rs. 76 lacs |
| c) Total | Rs. 103 lacs |
| 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 is committed to good corporate governance and hence strives to attain the highest level 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 Seven times during the financial year 2009-10. These meetings were held on 25th April 2009, 29th May 2009, 30th June 2009, 27th July 2009, 30th October 2009, 30th January 2010, 24th February 2010

Name of Director	Status	No. of meetings attended
Shri Mahesh Mehta	Independent, Non-Executive	Seven
Shri Akhilesh K. Sharma	Independent, Executive	Seven
Shri Ramniklal Salgia	Independent, Non Executive	Five

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 2009-10. These meetings were held on 25th April 2009, 30th June 2009, 27th July 2009, 30th October 2009 and 30th January 2010.

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

Name of Director	Status	No. of meetings attended
Shri Mahesh Mehta	Independent, Non-Executive	Five
Shri Akhilesh K. Sharma	Independent, Executive	Five
Shri Ramniklal Salgia	Independent, Non Executive	Four

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

The Shareholders / Investor Grievances Committee met two times during the financial year 2009-10. These meetings were held on 27th July'2009 and 30th January'2010.

The Company has constituted the shareholders / Investors grievance committee comprising Shri Mahesh Mehta, Shri Akhilesh K. Sharma and Shri Ramniklal Salgia.

(i) Broad Terms of Reference:

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

(ii) Composition:

The Committee comprises one non-executive directors and one executive director. The committee met two times during the financial year 2009-10 and the attendance of the members at the meetings was as under:

Name of Director	Status	No. of meetings attended
Shri Mahesh Mehta	Independent Non-Executive	Two
Shri Akhilesh K. Sharma	Independent Executive	Two
Shri Ramniklal Salgia	Independent Non-Executive	Two

(iii) Details of Shareholders complaints:

There were no complaints pending for disposal as on 31st March, 2010.

(iv) Compliance Officer:

Shri Ramesh Phadatare is the compliance officer of the company.

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
2006-2007	28 th September, 2007	11.00 AM
2007-2008	26 th September, 2008	11.00 AM
2008-2009	31 st July, 2009	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 Yes

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	30 th September 2010 at 11.00 AM
Venue	Paithan Road, Aurangabad
Pin	431 005

3) Financial Calendar (Tentative)

Annual General Meeting	30th Sept. 2010
Results for quarter ending 30 th June 2010	Last week of July, 2010
Results for quarter ending 30 th Sep. 2010	Last week of Oct. 2010
Results for quarter ending 31 st Dec. 2010	Last week of Jan. 2011
Results for quarter ending 31 st March 2011	Last week of April 2011
Annual General Meeting	September 2011

- 4) Date of Book Closure: 28th September 2010 to 30th September 2010 (both days inclusive)
- 5) Listing of equity shares on Stock Exchanges at: Mumbai & Ahmedabad
- 6) Status of listing fees: Paid for the year 2010-11
- 7) Registrar & Share Transfer Agents: Bigshare 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) Stock Market Price Data:

Month	Stock Market Price on BSE		Month	Stock Market Price on BSE	
	High	Low		High	Low
April 2009	6.70	4.30	Oct. 2009	24.73	9.00
May 2009	9.21	5.15	Nov. 2009	24.45	15.00
June 2009	9.90	7.11	Dec. 2009	36.05	24.30
July 2009	8.25	6.00	Jan. 2010	40.15	29.30
August 2009	11.10	7.90	Feb. 2010	36.60	31.00
Sept. 2009	10.01	8.32	March 2010	39.50	18.80

Source - BSE web site: www.bseindia.com

- 11) 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.

12) Distribution of Share Holding as on 31st March 2010.

No. of Equity Share Held in Rs.	No. of Share Holders	% of Share Holders	Amount (Rs. in Lacs)	% of Total
1-5000	6,384	81.88	110.53	14.26
5001-10000	672	8.62	59.37	7.66
10001-20000	318	4.08	51.71	6.67
20001-30000	125	1.60	32.88	4.24
30001-40000	47	0.60	17.12	2.21
40001-50000	69	0.89	33.31	4.30
50001-100000	90	1.15	65.99	8.52
100001-above	92	1.18	404.09	52.14
Total	7,797	100%	775.00	100%

13) Shareholding Pattern as on 31st March, 2010

Sr. No.	Category	No. of shares held	% of share holding
A	Promoters	21,24,059	27.41
B	Indian Financial Institutions / Banks / Mutual Funds	15,400	0.20
C	Foreign Institutional Investors/NRI's	Nil	Nil
D	Others	56,10,541	72.39
	TOTAL (A+B+C+D)	77,50,000	100.00

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

15) 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.

For and on behalf of the Board,

Mahesh Mehta
Director

Place : Mumbai
Date : 31st August 2010



MANAGEMENT DISCUSSIONS AND ANALYSIS

1. Industry Structure and Development

Rama Pulp & Papers Ltd., is a state-of-the art paper mill, which is strategically located at Vapi with all infrastructure facilities. The company has the flexibility of manufacturing papers from 18 gsm to 120 gsm. Presently the company is in the manufacture of various types of papers such as writing-printing, Absorbent Kraft Paper, Carbon base, poster paper, wrapping paper, napkin grade tissue paper etc.

Over the years the company has established itself as a reputed paper mill and command a leading position in the specialty grade Carbon based Paper. With a dedicated and competent technical and marketing team and innovative marketing strategies, Rama Pulp, in the coming years, will occupy more space in the horizon of Indian paper industry.

2. Opportunities and Threats

Strategic location, adequate land, infrastructure facilities, flexibility of product mix, consistent availability of Power etc. are some of the strengths and opportunities of the company. Apart from this, company is into development of products like Wax Match, Thermal Paper, Electrical Grade Kraft, Maplitho, Copier Grade etc. which would be an added advantage for the company to keep going to establish itself as a diverse paper mill in the long run.

As far as the threats are concerned, the company may face some competition from the upcoming large additional capacities in and around Vapi with De-inking Facility. Uneconomical Raw Material prices due to lack of required pulping Equipments, is yet another threat factor the company may have to tackle with.

3. Outlook, Risk and Concerns

The company has a broad outlook as far its customers are concerned. Company leaves no stone unturned when it comes to customer service. "Customer Satisfaction" is the main motto of the company and towards this end company continuously strives to maintain better quality, service and response to a vast customer segment. The company shall also continue its efforts towards improving the efficiency and cost control to improve the bottom line.

4. Internal Control Systems and their adequacy

There is adequate internal control system in the company through internal audits and operational reviews.

5. Financial performance with respect to operational performance

The company has registered EBIDTA of Rs. 469.00 Lacs and a net profit of Rs. 368.00 lacs in the current year as against the EBIDTA of Rs. 298.00 Lacs and a net profit of Rs. 215.00 lacs in the previous year.

6. Development in human resources / Industrial Relations front

The company has a system oriented HRD and the employees/workmen are motivated enough to work with optimal performance. The industrial relations are also cordial.

For and on behalf of the Board

Mahesh Mehta
Director

Place: Mumbai

Date : 31st August, 2010

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 2010, 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 2010.

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 : 31st August, 2010

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 2010, the Profit and Loss Account and also the Cash Flow statement for the year ended on that date annexed there to. 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-I 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, Profit & Loss Account and Cash Flow statement are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Profit & Loss Account 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, 2010 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 the Notes appearing 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 2010;
 - (ii) In the case of Profit and Loss Account, 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 : 31st August, 2010



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 2010.

- 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, 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.
- 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 loans 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 : 31st August, 2010



BALANCE SHEET AS AT 31ST MARCH 2010
(Rs. In Lacs)

Schedule		As at 31.03.2010	As at 31.03.2009
<u>SOURCES OF FUNDS :</u>			
SHARE HOLDERS' FUNDS			
Capital	1	775.00	775.00
Application Money for Warrants		337.50	56.25
Reserves & Surplus	2	<u>2,014.43</u>	<u>1,915.80</u>
		3,126.93	2,747.05
<u>LOAN FUNDS</u>			
Secured Loan	3	5.63	8.29
Unsecured Loan	4	<u>277.47</u>	<u>349.16</u>
		283.10	357.45
		<u>3,410.03</u>	<u>3,104.50</u>
<u>APPLICATION OF FUNDS</u>			
FIXED ASSETS			
Gross Block	5	5,419.96	5,407.24
Less : Depreciation		<u>4,026.04</u>	<u>3,868.35</u>
Net Block		1,393.92	1,538.89
Capital work in Progress		111.30	0.45
Deferred Tax Assets		178.90	320.41
<u>CURRENT ASSETS, LOANS & ADVANCES</u>			
Inventories	6	296.34	166.63
Sundry Debtors		832.39	799.68
Cash & Bank Balances		306.50	112.00
Loans & Advances		<u>596.40</u>	<u>499.60</u>
		2,031.63	1,577.91
<u>CURRENT LIABILITIES & PROVISIONS</u>			
Current Liabilities	7	242.74	319.67
Provisions		<u>62.98</u>	<u>13.49</u>
		305.72	333.16
<u>NET CURRENT ASSETS</u>			
		1,725.91	1,244.75
		<u>3,410.03</u>	<u>3,104.50</u>
NOTES ON ACCOUNTS			
	16		
Schedules 1 to 16 are attached to the Balance sheet are an integral part thereof.			

As per our Report of even Date

For N. R. AGRAWAL & Co.
Chartered Accountants

N. R. AGRAWAL
(Partner)
M. No. 30117

Place : Mumbai
Date : 31st August, 2010

For and on behalf of the Board,
MAHESH MEHTA
(DIRECTOR)

AKHILESH K. SHARMA
(DIRECTOR)


PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

(Rs. In Lacs)

Schedule		For the year ended 31.03.2010	For the year ended 31.03.2009
<u>INCOME :</u>			
Sales & Other Income	8	5,125.20	5,777.38
Increase in Stock	9	<u>77.41</u>	<u>18.21</u>
		5,202.61	5,795.59
<u>EXPENDITURE :</u>			
Raw Material Consumption	10	1,299.85	1,486.37
Purchase of Materials for Trading		1,870.23	1,446.85
Purchase of Chemicals for Trading		335.06	1,428.63
Excise Duty		22.39	27.26
Employee Cost	11	103.28	103.64
Operative Expenses	12	1,056.51	955.03
Other Expenses	13	<u>46.27</u>	<u>49.82</u>
		4,733.59	5,497.60
Profit before Interest & Depreciation		469.02	297.99
Interest	14	12.46	23.25
Depreciation	15	<u>80.72</u>	<u>56.54</u>
		93.18	79.79
Profit before Prior year. Exp. & I. Tax		375.84	218.20
Prior year Expenses		<u>7.55</u>	<u>2.79</u>
		7.55	2.79
Profit for the year		368.29	215.41
Provision for Current Tax		-	-
Fringe Benefit Tax		-	0.42
Profit before Deferred Tax		368.29	214.99
Deferred Tax		<u>(141.50)</u>	<u>(74.32)</u>
		226.79	140.67
Add : Balance Brought Forward from previous year		809.07	574.18
Add : Reversal for Provision of Tax previous year		-	48.91
Profit Available for Appropriation		<u>1,035.86</u>	<u>763.76</u>
<u>APPROPRIATIONS :</u>			
Proposed Dividend		43.75	(38.75)
Tax on Dividend		7.44	(6.56)
General Reserve		50.00	-
Total		<u>101.19</u>	<u>(45.31)</u>
Surplus carried to Balance Sheet		<u>934.67</u>	<u>809.07</u>
		<u>1,035.86</u>	<u>763.76</u>
Basic Earning per Share (Rs)		2.93	2.45
Diluted Earning per Share (Rs.)		2.60	2.17
(Refer Para No 10 of Notes on Accounts)			
NOTES ON ACCOUNTS	16		

As per our Report of even Date

For N. R. AGRAWAL & Co.

Chartered Accountants

N. R. AGRAWAL

(Partner)

M. No. 30117

Place : Mumbai

Date : 31st August 2010

For and on behalf of the Board,
MAHESH MEHTA

(DIRECTOR)

AKHILESH K. SHARMA

(DIRECTOR)

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2010 (Rs. In Lacs)

Schedules	As at 31.03.2010	As at 31.03.2009
<u>SCHEDULE 1:</u>		
Share Capital		
Authorised :		
1,25,00,000 Equity Shares		
of Rs. 10/- each	1,250.00	1,250.00
Issued, Subscribed and		
fully paid up		
77,50,000 Equity Shares of Rs. 10/- each	775.00	775.00
	<u>775.00</u>	<u>775.00</u>
<u>SCHEDULE 2 :</u>		
Reserves & Surplus		
Capital Subsidy	45.00	45.00
Capital Reserve	0.20	0.20
General Reserve		
As per last Balance Sheet	200.00	200.00
Add : Transfer from Profit & Loss A/c	<u>50.00</u>	—
	250.00	200.00
Bal. Carred From Profit & Loss A/c.	934.67	809.07
Revaluation Reserve	861.53	938.69
Less : Adjustment of Depreciation	<u>76.97</u>	<u>77.16</u>
	784.56	861.53
	<u>2,014.43</u>	<u>1,915.80</u>
<u>SCHEDULE 3 :</u>		
Secured Loans		
Vehicle Loan form HDFC Bank	<u>5.63</u>	<u>8.29</u>
	5.63	8.29
<u>SCHEDULE 4 :</u>		
Unsecured Loans		
Trade Deposits	14.37	18.37
Loan form Others	<u>263.10</u>	<u>330.79</u>
	277.47	349.16



SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

SCHEDULE 5:
Fixed Assets

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	AS AT 01.04.2009	ADDITIONS DURING THE YEAR	DELETION DURING THE YEAR	AS AT 31.03.2010	AS AT 01.04.2009	FOR THE YEAR	UP TO 31.03.2010	AS AT 31.03.2010	AS AT 31.03.2009
FREEHOLD LAND	3.40	-	3.40	-	-	-	-	-	3.40
LEASEHOLD LAND	270.48	-	-	270.48	20.98	2.73	23.71	246.77	249.50
BUILDING	847.72	9.56	-	857.28	348.90	25.80	374.70	482.58	498.82
PLANT AND MACHINERY	4,199.75	0.66	-	4,200.41	3,427.82	127.44	3,555.26	645.15	771.93
FURNITURE AND FIXTURE	59.31	5.35	-	64.66	55.38	0.61	55.99	8.67	3.93
VEHICLES	26.58	0.55	-	27.13	15.27	1.11	16.38	10.75	11.31
TOTAL	5,407.24	16.12	3.40	5,419.96	3,868.35	157.69	4,026.04	1,393.92	1,538.89
TOTAL PREVIOUS YEAR	5,268.69	138.55	-	5,407.24	3,734.64	133.71	3,868.35	1,538.89	1,534.05
CAPITAL WORK IN PROGRESS								111.30	0.48

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2010

(Rs. In lacs)

Schedule	As at 31.03.2010	As at 31.03.2009
<u>SCHEDULE 6:</u>		
Current Assets Loans & Advance		
Inventories		
(As valued and certified by the Management)		
Raw Materials	112.85	66.91
Coal	4.12	3.00
Stores, Spares & Tools	37.59	42.76
Stock of Trading Chemicals	-	0.51
Finished Goods	<u>141.78</u>	<u>53.45</u>
	296.34	166.63
Sundry Debtors		
(I) Outstanding for more than Six Months		
Considered Good	11.22	7.32
Considered Doubtful	27.70	27.70
Less : Provision for Doubtful Debts	27.70	27.70
(II) Other Debts Considered good	<u>821.17</u>	<u>792.36</u>
	832.39	799.68
Cash & Bank Balances		
Cash on hand	0.40	0.70
Balance with Scheduled Banks	<u>306.10</u>	<u>111.30</u>
	306.50	112.00
Loans & Advances		
Advances recoverable in cash or in kind for value to be received :-		
Sundry Deposit	207.20	154.17
Deposits with Government Bodies	297.74	301.20
	<u>91.46</u>	<u>44.23</u>
	596.40	499.60
	<u>2,031.63</u>	<u>1,577.91</u>
<u>SCHEDULE 7 :</u>		
Current Liabilities & Provisions		
Current Liabilities		
Sundry Creditors	138.49	206.77
Other Liabilities	<u>104.25</u>	<u>112.90</u>
	242.74	319.67
Provisions		
Proposed Dividends	43.75	-
Provisions for Dividend Tax	7.44	-
Provisions for Fringe Benefit Tax	-	0.16
Provisions for Gratuity	6.91	7.47
Provisions for Leave Encashment	3.55	4.40
Provisions for Bonus	<u>1.33</u>	<u>1.46</u>
	62.98	13.49
	<u>305.72</u>	<u>333.16</u>

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2010

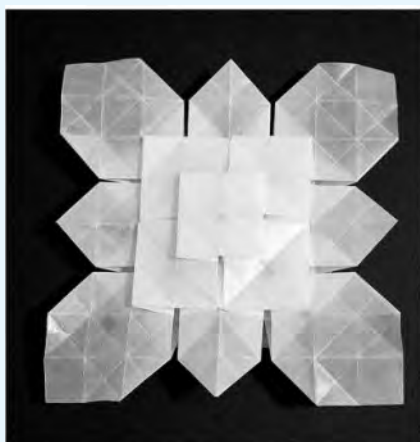
(Rs. In lacs)

Schedule	For the year ended 31.03.2010	For the year ended 31.03.2009
<u>SCHEDULE 8:</u>		
Sales & Other Income :		
Sales	4,492.89	5,044.86
Mfg. Facility Receipt	559.33	677.08
Other Income	<u>72.98</u>	<u>55.44</u>
	<u>5,125.20</u>	<u>5,777.38</u>
<u>SCHEDULE 9 :</u>		
Increase In Stock :		
Closing stock	157.00	79.59
Less : Opening stock	<u>79.59</u>	<u>61.38</u>
	<u>77.41</u>	<u>18.21</u>
<u>SCHEDULE 10 :</u>		
Raw materials :		
Opening stock	40.77	96.82
Add-Purchases	1,356.71	1,430.32
Less : Closing stock	<u>97.63</u>	<u>40.77</u>
	<u>1,299.85</u>	<u>1,486.37</u>
<u>SCHEDULE 11 :</u>		
Employees Cost :		
Salaries & Wages	78.36	81.14
Cont. to Employee P.F. & Other Fund	6.73	6.76
Staff Welfare Expenses	<u>18.19</u>	<u>15.74</u>
	<u>103.28</u>	<u>103.64</u>
<u>SCHEDULE 12 :</u>		
Operating Expenses :		
Consumption of Stores & Spares	83.92	75.19
Transportation & Materials Handling	56.60	17.03
Power & Coal-Lignite Cost	401.82	311.29
Manufacturing Facility Expenses	428.74	498.80
Repair to Plant & Machinery	30.46	15.57
Repair to Building	2.97	4.43
Repair to Other	1.07	1.17
Water Charges	5.82	2.63
Discount on Sales	<u>45.11</u>	<u>28.92</u>
	<u>1,056.51</u>	<u>955.03</u>

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2010

(Rs. In lacs)

Schedule	For the year ended 31.03.2010	For the year ended 31.03.2009
<u>SCHEDULE 13 :</u>		
Other Expenses :		
Rent, Rates & Taxes	2.69	1.28
Insurance Charges	1.91	2.57
Administrative Expns.	39.79	44.36
Internal Audit Fees	1.15	1.07
Cost Audit Fees	<u>0.10</u>	<u>0.10</u>
Auditor's Remuneration :		
Audit Fee	0.25	0.25
Tax Audit Fee	0.15	0.15
Income Tax Matters	0.18	-
Other Services	<u>0.05</u>	<u>0.04</u>
	<u>46.27</u>	<u>49.82</u>
<u>SCHEDULE 14 :</u>		
Interest & Financial Charges :		
Interest on Loans	<u>12.46</u>	<u>23.25</u>
	<u>12.46</u>	<u>23.25</u>
<u>SCHEDULE 15 :</u>		
Depreciation :		
Depreciation for the year	157.69	133.70
Less : Adj. of dep. on Account of revaluation of Fixed Assets	<u>76.97</u>	<u>77.16</u>
	<u>80.72</u>	<u>56.54</u>



NOTES ON ACCOUNTS FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 AND PROFIT
AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

SCHEDULE : 16

1. Significant Accounting Policies:

I. BASIS OF PREPARATION OF FINANCIAL STATEMENT

The financial statements have been prepared primarily on the historical cost convention and in accordance with the mandatory accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Company Act, 1956

II. METHOD OF ACCOUNTING:

Accounts are maintained on accrual basis. Claims / Refunds not ascertainable with reasonable certainty are accounted for on settlement basis.

III. FIXED ASSETS:

Fixed assets are shown at cost adjusted by revaluation of certain assets less depreciation. Cost comprises the purchase price and other attributable expenses and net of Cenvat / Value Added Tax.

IV. DEPRECIATION ON FIXED ASSETS:

(a) The Company follows the straight-line method of charging depreciation on all its fixed assets. The depreciation has been provided in the manner and the rates prescribed in Schedule XIV to the Companies Act, 1956 on all the assets.

(b) No Depreciation has been charged on the assets, which have been fully depreciated.

(c) Depreciation on the revalued portion of the fixed assets is charged to Revaluation Reserve Account.

V. INVENTORIES :

Inventories are valued at lower of cost and net realizable value. The method of arriving at cost of various categories of inventories is as below:

(a) Raw Material - First in First out method.

(b) Stores & Spares and Packaging Material - Weighted Average Method.

(c) Finished goods and work-in progress - Weighted average cost of production which comprises direct material costs and appropriate overheads.

VI. SUNDRY DEBTORS, CREDITORS AND ADVANCES:

Specific debts and advances identified as irrecoverable or doubtful are written off or provided for respectively.



VII. FOREIGN EXCHANGE TRANSACTIONS :

Transactions made during the year in foreign currency are recorded at the exchange rate prevailing at the time of transaction. Assets and Liabilities related to foreign currency transactions remaining unsettled at the year end are translated at the contract rates, when covered by forward cover contracts and at year end rate in other cases. Realised gains and losses on foreign exchange transactions other than those relating to fixed assets are recognized in the profit and loss account. Gain / loss on transaction of long term liabilities incurred to acquire fixed assets is treated as an adjustment to the carrying cost of fixed assets.

VIII. REVENUE RECOGNITION :

- (a) Sale of goods is recognized at the point of dispatch of finished goods to customers. Sales include amount recovered towards excise duty.
- (b) Income from service is recognized at the time of rendering the services.

IX. 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.

X. BORROWING COST :

Borrowing cost is charged to Profit & Loss Account except cost of borrowing for acquisition of qualifying assets which is capitalized till the date of commercial use of asset.

XI. LEASES :

Lease rentals in respect of assets given on finance lease are accounted for in reference to lease terms.

XII. INTANGIBLE ASSETS :

Intangible Assets are being recognized if the future economic benefits attributable to the assets are expected to flow to the company and the cost of the assets can be measured reliably.

XIII. RETIREMENT BENEFITS :

Retirement benefits to employees are provided for by means of gratuity, leave encashment and provident fund.

- (a) The gratuity liability is determined on the basis of actuarial valuation as at year end.
- (b) 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.
- (c) Contribution to Provident fund & Pension scheme are charged to Profit & Loss Account when due.



XIV. TAXES ON INCOME:

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognized subject to the consideration of prudence in respect of deferred tax assets, on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or subsequent periods.

XV. SEGMENT REPORTING:

a) Primary Segment Reporting (Business Segment)

The Company has identified two reportable business segment

- i) Manufacturing and Trading of Paper
- ii) Trading in Chemical

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.

(Rs. in Lacs)

Particulars	Manufacturing Income		Trading in Chemical		TOTAL	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
REVENUE						
External Sales	4,741.27	4,232.98	376.34	1,488.96	5,117.61	5,721.94
Inter segment Transfer	-	-	-	-	-	-
TOTAL REVENUE	4,741.27	4,232.98	376.34	1,488.96	5,117.61	5,721.94
SEGMENT RESULT	339.47	178.33	41.28	60.33	380.75	238.66
Interest Expenses						
Unallocable	-	-	-	-	12.46	23.25
PROFIT BEFORE TAXES					368.29	215.41
Current Tax	-	-	-	-	0.00	0.00
Fringe Benefit Tax	-	-	-	-	0.00	0.42
Deferred Tax Asset	-	-	-	-	(141.50)	(74.32)
PROFIT AFTER TAX	-	-	-	-	226.79	140.67
OTHER INFORMATION						
ASSETS:-						
Segment Assets	2,976.58	2,350.99	262.54	266.69	3,239.12	2,617.68
Unallocable Assets	-	-	-	-	476.64	820.00
Segment Liabilities	232.53	243.92	10.21	75.75	242.74	319.67
Unallocable liabilities	-	-	-	-	346.07	370.94

(b) 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 operation 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	2009-2010			2008-2009		
	Domestic	Export	Total	Domestic	Export	Total
Revenue	4714.13	403.48	5117.61	5258.31	463.63	5721.94
Carrying Amount of debtors	816.35	16.04	832.39	795.86	3.82	799.68
Carrying amount of Assets other than debtors	2883.37	NIL	2883.37	2638.01	0.00	2638.01
Addition to Fixed Assets & Intangible Assets	16.11	NIL	16.11	138.55	0.00	138.55

Due to Complexities of the operation & recording system of the company, assets other than debtors have not been apportioned segment wise, since the same are used interchangeably between the segments.

XVI. CONTINGENT LIABILITY:

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 an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes.

2. Application Money for Warrants :

The company issued 22,50,000 Nos of convertible warrants on preferential basis of Rs.10/- each at Rs. 25/- (Including a premium of Rs. 15/- per warrants) and received 10% advance money of Rs. 56.25 lacs with an option to convert into equity shares within 18 months as per SEBI guidelines. Out of above 22,50,000 Nos convertible warrants the company received application to convert 10,00,000 warrants in to Equity Shares with balance amount of Rs.225.00 lacs

The Company also issued 22,50,000 Nos of convertible warrants on preferential basis of Rs.10/-each and raised warrant application money of Rs.56.25 lacs(i.e.25% per Warrants with an option to convert into equity shares within 18 months as per SEBI Guidelines in the year 2009-10

3. Managerial Remuneration:

Particulars	2009-10 (Rs. in Lacs)	2008-09 (Rs. in Lacs)
Salaries	4.40	4.40
Commission	Nil	Nil
Contribution to Provident Fund and Other Funds	0.32	0.32
Value of Perquisites & other Benefit	0.60	0.60

Note : Excludes actuarial provision of gratuity & leave encashment.

4. Payment to Auditors (Excluding Service Tax):

Particulars	2009-10 (Rs. in Lacs)	2008-09 (Rs. in Lacs)
Audit Fees	0.25	0.25
Tax Audit Fees	0.15	0.15
Income Tax Matters	0.18	-
Other Services	0.05	0.04
Total	0.63	0.44


5. Contingent Liabilities:

	As at 31 st March 2010 (Rs. in Lacs)	As at 31 st March 2009 (Rs. in Lacs)
Claims against the Company not acknowledge as debts hence not provided		
(i) Demand Notice from Gujarat Electricity Board (GEB)	Nil	14.63
(ii) Central Excise Demands (Interest)	Nil	3.00
(iii) Suits filed by creditors	0.42	4.75
(iv) Income Tax Liability for the A.Y. 2007-08 which the company has disputed and appeal against which is pending before CIT(A).	80.32	Nil

6. 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.

	As at 31 st March 2010 (Rs. in Lacs)	As at 31 st March 2009 (Rs. in Lacs)
Estimated amount of contracts remaining to be executed on capital account	34.06	4.00

7. 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.

8. 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 :	31st March 2010 (Rs. in Lacs)	31st March 2009 (Rs. in Lacs)
Assets		
(a) Deferred tax assets arising on account of timing differences :-		
(i) Unabsorbed business loss / depreciation	229.11	383.59
(ii) Provision for Gratuity	0.00	0.69
(iv) Payment of Statutory dues	3.98	0.56
Liability		
(b) Deferred tax liabilities arising on account of timing differences :- Depreciation	54.19	64.43
Net Deferred Tax asset	178.90	320.41

9. 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.
- Sales includes Manufacturing Facility Receipt of Rs. 559.33 Lac (Previous Year Rs. 677.08 Lac)
- Other income includes Rs. 7.30 Lac of Sundry Balances Written back, (Previous Year Rs. 4.89 Lac) Interest on Fixed Deposit Rs. 3.66 Lac (Previous Year Rs. 2.88 Lac) & Others Miscellaneous income Rs. 62.02 Lac (Previous Year Rs. 47.67 Lac)
- The company has not identified transactions with small scale industrial undertakings during the year.

10. Earnings Per Share :

	Year ended 31st March 2010	Year ended 31st March 2009
a) Profit before Tax (Rs. in Lacs)	368.29	214.99
Less : Deferred Tax (Rs. in Lacs)	141.50	74.32
Profit after Tax (Rs. in Lacs)	226.79	140.67
b) Weighted average number of Equity Shares outstanding during the year	7750000	7750000
c) Face value of each Equity Share (Rs.)	10	10
d) Earnings per Share - Basic (Rs.)	2.93	2.45
e) Earnings per Share - Diluted (Rs.)	2.60	2.17

11. Disclosure as required by Accounting Standard 19, "Leases" issued by the Institute of Chartered Accountants of India are given below:

(a) Operating Lease:

Where the Company is a Lessor

Details in respect of assets given on operating lease: Factory Building and Plant & Machinery

The assets given on lease are cancelable and agreed for 36 months and generally and are usually renewable by mutual consent, on mutually agreeable terms.

The total of future minimum non-cancelable leave & license fee receivable as of the Balance Sheet dates are as under:

Not later than one year – Rs. 6.00 lacs

Later than one year but not later than two years from 01.04.2010 – Rs.NIL

In addition the company is entitled for reimbursement of expenses @ Rs.8,500/- per hour for the usages of manufacturing facility.

The aggregate lease rentals are recognized in the Profit & Loss account for the year Rs.6.00 lacs and gross manufacturing receipts of Rs.559.33 lacs Initial direct costs are recognized as an expense in the year in which these are incurred.

12. Additional information pursuant to paragraphs 3, 4C and 4D of part II of Schedule VI to the Companies Act, 1956.

12.1 Information regarding capacity, stocks, production and sales (As Certified by the management)

Manufacturing

Description	Unit	Installed Capacity Qty./P.A.	Qty. Production	Sales		Opening Stock Qty MT	Closing Stock Qty MT
				Quantity	Rs. in lacs		
Writing Printing Paper, Carbon base Tissue, Napkin & other Speciality Papers	MT	23250.000	6806.121	6493.479	2223.14	145.651	458.293
Previous Year	MT	23250.000	6263.134	6244.540	2029.31	127.057	145.651

Trading

Description	Unit	2009 - 10		2008 - 09	
		Sales Quantity	Value (Rs. in lacs)	Sales Quantity	Value (Rs. In Lacs.)
Chemicals	MT	3842.250	376.34	4610.590	1488.96
Paper	MT	6443.452	1893.41	3941.930	1526.59

Raw Material Consumed

Item Head	2009-10		2008-09	
	Quantity (MT)	(Rs. in lacs)	Quantity (MT)	(Rs. In Lacs.)
Waste Paper	7739.692	1208.69	8098.766	1375.24
Chemicals & Dyes	-	91.16	-	111.13
Total	7739.692	1299.85	8098.766	1486.37

12.2 Earnings in Foreign Exchange:
Receipt - Against Export Goods Rs. 372.15 Lacs

12.3 Expenditure in foreign currency:
Pur. of Imported Raw Materials Rs. 870.47 Lacs

12.4 Value of Imported & Indigenous Materials Components consumed : (on CIF basis)

Account Head	2009-10		2008-09	
	(Rs. in lacs)	Percentage	(Rs. in lacs)	Percentage
(a) Raw Material				
Imported	1066.33	82.03	777.69	52.32
Indigenous	233.52	17.97	708.68	47.68
	1299.85	100.00	1486.37	100.00
(b) Stores and Spare Parts				
Imported	0.00	0.00	1.77	2.35
Indigenous	83.92	100.00	73.42	97.65
	83.92	100.00	75.19	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.

13. Previous year's figures have been regrouped / recast wherever necessary.

As per our Report of even Date
For N. R. AGRAWAL & Co.
Chartered Accountants

N. R. AGRAWAL
(Partner)
M. No. 30117

Place : Mumbai
Date : 31st August, 2010

For and on behalf of the Board,

MAHESH MEHTA
(DIRECTOR)

AKHILESH K. SHARMA
(DIRECTOR)


CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

(Rs. In lacs)

	2009-10		2008-09	
Operating Activities				
Net profit before tax		368.29		215.40
Adjustments for :				
Add : (a) Depreciation	80.72		56.54	
(b) Fringe Benefit Tax Paid	(0.00)		(0.55)	
(c) Rent Received	(6.00)		(6.00)	
		74.72		49.99
Operating Profit before Working Capital Charges		443.01		265.40
Adjustments for :				
(a) Increase/ (Decrease) in Debtors	(32.71)		5.25	
(b) Increase/ (Decrease) in Inventories	(129.71)		74.99	
(c) (Increase) /Decrease in Loans & Advance	(96.80)		(74.93)	
(d) (Increase) /Decrease in Current Liabilities	(76.93)		(66.61)	
(e) (Increase) /Decrease in Provision for Exp.	(1.73)		1.61	
		(337.88)		(59.69)
Net Cash flow from operating activities		105.13		205.71
Investing Activities				
(a) (Purchase) / Sale of Fixed Assets	(12.71)		(138.55)	
(b) Increase/ (Decrease) in Capital Works in Progress	(110.82)		(0.48)	
(c) Rent Received	6.00		6.00	
Net Cash Flow from Investing activities		(117.53)		(133.03)
Financing Activities				
(a) Market Borrowings (Unsecured)	(71.69)		(36.12)	
(b) Divident & Tax	-		-	
(c) Increase / (Decrease) in Loans & Advances	-		-	
(d) Secured Loan	(2.66)		8.29	
(e) Increase in Application money warrant	281.25		56.25	
Net Cash Flow from Financing activities		206.90		28.42
Net Increase in cash and cash Equivalents		194.50		101.10
Cash & Cash equivalents as at the commencement of the year (Opening Balance)		112.00		10.90
Cash & Cash equivalents at the ending of the year (Closing Balance)		306.50		112.00
NET Increase as disclosed above		194.50		101.10

As per our Report of even Date

For N. R. AGRAWAL & Co.

Chartered Accountants

N. R. AGRAWAL

(Partner)

M. No. 30117

Place : Mumbai

 Date : 31st August, 2010

For and on behalf of the Board,
MAHESH MEHTA

(DIRECTOR)

AKHILESH K. SHARMA

(DIRECTOR)

**BALANCE SHEET ABSTRACTS AND COMPANY'S GENERAL BUSINESS PROFILE
PURSUANT TO PART - IV OF SCHEDULE-VI TO THE COMPANIES ACT 1956**

I. Registration Details :	State Code No. : 11
Registration No.	022820
Balance Sheet Date	31.03.2010
	(Rs. in Lacs.)
II. Capital raised during the period :	
Public Issue	NIL
Bonus Issue	NIL
III. Position of Mobilization of Deployment of Funds :	
Total Liability	3410.03
Total Assets	3410.03
Source of Funds	
Paid up Capital	775.00
Application Money For Warrant	337.50
Reserve & Surplus	2014.43
Secured Loans	5.63
Unsecured Loans	277.47
Application of Funds	
Net Fixed Assets	1505.22
Net Current Assets	1725.91
Deferred Tax Assets	178.90
IV. Performance of Company (Rs. in Lacs) :	
Turnover (Inclusive other Income)	5202.61
Total Expenditure	4834.32
Profit for the Year	368.29
Profit After Defferred Tax	226.79
Earning Per Shares (Rs.)	2.93
Diluted Earning per Share (Rs.)	2.60
Dividend Rate (%)	5 %
V. Generic Names of two Principle Products/Services of the Company (as per monetary terms) :	
Item code (ITC Code)	4804.29
Product Description	Industrial Paper
Item Code (ITC Code)	4804.11
Product Description	Poster Paper

As per our Report of even Date

For N. R. AGRAWAL & Co.
Chartered Accountants

N. R. AGRAWAL
(Partner)
M. No. 30117

Place : Mumbai
Date : 31st August, 2010

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 **28TH ANNUAL GENERAL MEETING** of the Company, which will be held at Paithan Road, Aurangabad - 431 005 on Thursday 30th September, 2010 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 **28th Annual General Meeting** of the Company, to be held on Thursday 30th Sept.2010
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.