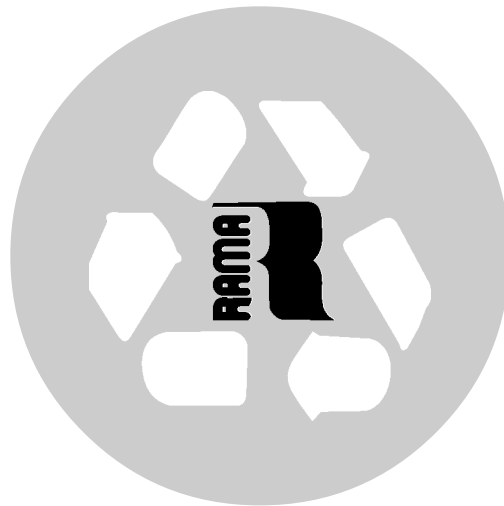


RAMA NEWSPRINT AND PAPERS LIMITED



19TH ANNUAL REPORT
2009 - 2010

CONTENTS

BOARD OF DIRECTORS	3
NOTICE	4
DIRECTORS' REPORT	7
CORPORATE GOVERNANCE REPORT	11
MANAGEMENT DISCUSSION & ANALYSIS	17
AUDITORS' REPORT	19
BALANCE SHEET	22
PROFIT & LOSS ACCOUNT	23
SCHEDULES TO THE ACCOUNTS	24
AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE	36
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE	37
CASH FLOW STATEMENT	38

BOARD OF DIRECTORS

Shree Kumar Bangur

Virendra Bangur

K. L. Chandak

M. P. Taparia

Sudarshan Somani

Haigreave Khaitan

S. Doreswamy

Lt. Gen. (Retd) Ashok Kapur

Janak Mehta

V. D. Bajaj

Chairman

Vice Chairman

Director

Independent Director

Independent Director

Independent Director

Independent Director

Independent Director

Independent Director

Executive Director

Bankers

Bank of India

Oriental Bank of Commerce

Central Bank of India

Axis Bank Ltd.

Registered Office & Factory

Village Barbodhan, Taluka Olpad,

District Surat, Gujarat – 395 005.

Corporate Office

Shreeniwas House, 3rd Floor,

Hazarimal Somani Marg, Fort,

Mumbai – 400 001

Ph. : 22016798/ 6825/ 6704/ 3807

Fax : 22016803

E – mail : ramanewsprint@ramanewsprint.com

Website : www.ramanewsprint.com

Registrar & Transfer Agent

LINK INTIME INDIA PVT. LTD.

Unit : Rama Newsprint & Papers Ltd.

C – 13, Pannalal Silk Mills Compoud,

L.B.S Marg, Bhandup (W),

Mumbai – 400 078.

Ph. : 022 – 25963838

Fax : 022 – 25946969

Auditors

Haribhakti & Co., Mumbai

Advocates & Solicitors

Khaitan & Co., Mumbai.

Vice President (F & A) &

Company Secretary

Girish Sharma

NOTICE

ANNUAL REPORT
2009 - 2010

NOTICE IS HEREBY GIVEN THAT THE 19th ANNUAL GENERAL MEETING OF THE MEMBERS OF RAMA NEWSPRINT AND PAPERS LIMITED WILL BE HELD ON WEDNESDAY, 29TH SEPTEMBER, 2010 AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT VILLAGE BARBODHAN, TALUKA OLPAD, DISTRICT SURAT, GUJARAT, TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

- (1) To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010, Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
- (2) To appoint a Director in place of Shri Shree Kumar Bangur, who retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.
- (3) To appoint a Director in place of Shri Virendra Bangur, who retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.
- (4) To appoint a Director in place of Shri K L Chandak, who retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.
- (5) To appoint M/s. Haribhakti & Company, Chartered Accountants, retiring Auditors, as Statutory Auditors of the Company to hold office from conclusion of the ensuing Annual General Meeting till the conclusion of next Annual General Meeting and to authorize the Board of Directors to fix remuneration of the Statutory Auditors.

SPECIAL BUSINESS

- (6) To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and Schedule XIII, and all other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals as may be required, consent of the company be and is hereby granted for the following terms of remuneration of Shri V. D. Bajaj, Executive Director for the period from 1st April, 2010 to 8th January, 2011.

A. EMOLUMENTS :

- i) Salary: Rs.253692/- (Rupees Two Lacs fifty three thousand six hundred and ninety two) per month.
- ii) Special allowance: Rs. 8000/- (Rupees Eight thousand) per month.

B. PERQUISITES :

- i) Housing: Furnished accommodation with free electricity, water and gas supply.
- ii) Medical Reimbursement: Medical and Hospitalisation benefits for him and his family by way of reimbursement of expenses actually incurred, the total cost of which to the Company shall not exceed one month's salary in a year or three months' salary over a period of three years.

- iii) Leave: On full pay in accordance with the Rules of the Company.
- iv) Leave Travel Concession: For him and his family once in a year in accordance with the Rules of the Company.
- v) Club Fees: Fees and subscription of two clubs.
- vi) Personal Accident Insurance: Premium as per the Rules of the Company.
- vii) Provident Fund: Contribution to Provident Fund in accordance with the Rules of the Company.
- viii) Gratuity: One half month's salary for each completed year of service in accordance with the Rules of the company. The past period of his service as an Executive Director of the Company will be reckoned for determining the completed years of service.
- ix) Conveyance: Provision of Car for use on the Company's Business. In case Car is not provided, then reimbursement of expenses incurred on conveyance up to Rs.60,000/- (Rs. Sixty Thousand Only) per month.
- x) Telephone: Free telephone facility at residence.
- xi) Other benefits as are applicable to other senior executives of the Company (including but not limited to production / incentive bonus, ex-gratia, encashment of leave, subject to a maximum of Ninety days, compensatory allowance in accordance with the schemes of the Company).

"RESOLVED FURTHER THAT in the event of any modification or revision in the provisions of remuneration payable to whole time directors, as set out in Schedule XIII of the Companies Act, 1956, the Remuneration Committee of Directors shall be entitled at its discretion to revise the remuneration payable to Shri V. D. Bajaj from the date of such modification or revision, without any further reference to the Company in general meeting."

"RESOLVED FURTHER THAT the consent of the Company be and is hereby granted and deemed to have been granted to pay Shri V. D. Bajaj, in the event of no profit or inadequate profit, minimum remuneration by way of salary, perquisites and other allowances, on the terms and conditions mentioned above, and in accordance with the applicable provisions of Schedule XIII of the Companies Act, 1956 and subject to the approval of the Central Government, if required."

"RESOLVED FURTHER THAT the Board of Directors of the Company or a Committee thereof be and is hereby authorized to vary and/or revise the remuneration of the said Executive Director within the overall limits approved herein and settle any question or difficulty in connection therewith and incidental thereto."

By Order of the Board
For RAMA NEWSPRINT AND PAPERS LIMITED

Girish Sharma
Vice President (F & A) & Company Secretary

Mumbai, Date: 11.08.2010

Registered Office:
Village Barbodhan, Taluka Olpad,
District Surat, Gujarat – 395 005.

NOTICE



NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER.
2. Proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of the Meeting.
3. The Explanatory Statement Pursuant to section 173(2) of the Companies Act, 1956 is annexed hereto. Books of the Company shall remain closed from 18th September 2010 to 29th September 2010 (both days inclusive).
4. Members are requested to notify immediately any change in their Registered Address to the Company's Registrar, LINK INTIME INDIA PVT LIMITED, Unit: Rama Newsprint & Papers Ltd, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai – 400078.
5. Members, who hold shares in de-materialized form are requested to bring their Client ID and DP ID Nos. for easier identification of attendance at the Meeting.
6. Shareholders seeking any information with regard to the Accounts are requested to write to the Company at an early date to enable the Management to keep the information ready.
7. The documents referred to in this Notice are open for inspection by any Member at the Registered Office of the Company during the Company's business hours on any working day upto the date of the Annual General Meeting and will also be available for inspection at the Meeting.
8. Investors / Shareholders are requested to kindly note that if physical documents viz. Demat Request Forms (DRF) and Share Certificates etc. are not received from their DPs by the Registrar within a period of 15 days from the date of generation of the DRN for dematerialization, the DRN will be treated as rejected/cancelled. This step is being taken on the advice of National Securities Depository Limited (NSDL), so that no demat request remains pending beyond a period of 30 days. Upon rejection / cancellation of the DRN, a fresh DRF has to be forwarded along with the Share Certificates by the DPs to the Registrar. This note is only to caution Investors/Shareholders that they should ensure that their DPs do not delay in sending the DRF and Share Certificates to the Registrar after generating the DRN.
10. Investors / Shareholders are requested to kindly note that as per SEBI notification MRD/DOP/Cir-05/2009 dated.20th May 2009, it is mandatory for the transferee(s) to furnish a copy of PAN card to the Company/RTAs for registration of any transfer of shares in physical form.

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

ITEM NO. 6

The Board of Directors in its meeting held on 08th January, 2007 re-appointed Shri V. D. Bajaj as Executive Director for a further period of 4 (four) years w.e.f. January 09th, 2007. The re-appointment of Shri V. D. Bajaj as Executive Director and the terms and conditions of his remuneration were also approved by the members of the Company by way of an ordinary resolution in their meeting held on 27th September 2007.

However, due to inadequacy of profit during the year ended 31.03.2008 the terms of remuneration of Shri V. D. Bajaj from the period from 1st April 2008 to 31st March 2010 were approved by the members of the Company by way of special resolution in the Annual General Meeting held on 19.09.2008.

The terms of remuneration of Shri V. D. Bajaj for his remaining term as Executive Director from 1st April 2010 to 8th January 2011 as approved by the Remuneration Committee in its meeting held on 05.05.2010 are required to be approved by the members by way of a special resolution.

The terms of remuneration are consistent with industry norms and accordingly the Director commend the resolution for approval of members.

Shri V. D. Bajaj is interested in the Resolution since it concerns his own remuneration.

None of the other Directors is interested in the passing of the resolution.

This Explanatory Statement together with the accompanying notice may be treated as an abstract of the terms of remuneration of Shri V.D.Bajaj, Executive Director and Memorandum Of Interest under Section 302(7) of the Companies Act, 1956.

Information required under Clause (iv) of proviso to paragraph 1(B) of Section II of Part II of Schedule XIII of the Companies Act, 1956

I. General Information

(1) Nature of Industry

The Company is engaged in the manufacture and sale of Newsprint and Writing & Printing Paper.

(2) Date of commencement of commercial production.

The company commenced commercial production in August 1996.

(3) In case of new companies, expected date of commencement of activities.

Not applicable, as the company is an existing company.

(4) Financial performance based on given indicators

(Rs. In lacs)

	31.03.08	31.03.09	31.03.10
Sales (Gross)	35,648.37	34,228.45	31,222.78
Profit / Loss before Tax	181.75	(4,854.40)	(6,813.74)
Profit / Loss after Tax	106.59	(2,727.09)	(5,664.56)
Shareholders' Funds	30,534.09	28,535.14	28,535.14

(5) Export Performance and net foreign exchange collaborations

The FOB value of the company's exports was Rs.68.82 lacs in 2007-08, Rs. 95.42 lacs in 2008-09 and Rs. 1,066.95 lacs in 2009-10.

(6) Foreign investments or collaborators, if any - NIL

II. Information about the appointee

(i) Background details

Shri V.D. Bajaj, Masters in Commerce – Gold Medallist with over 40 years of Industrial Experience in Paper

NOTICE

Industry. He is an Executive Director of the Company since 9th January, 2004.

(ii) Past Remuneration

For the financial year 2009-10 Shri V.D. Bajaj's total remuneration was Rs. 41.22 Lacs.

(iii) Recognition or awards/ Job Profile and his suitability

Shri V.D. Bajaj has managed the company ably over the past six years, despite the cyclicity of the business in which the company is engaged. In the opinion of the Board, he is eminently suited for the position he holds.

(iv) Remuneration proposed

The remuneration of Shri. V.D. Bajaj is set out above.

(v) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person.

The substantive remuneration of Shri. V.D. Bajaj is not out of tune with the remuneration in similar sized industries in same segment of business.

(vi) Pecuniary relationship directly or indirectly with the

company or relationship with managerial personnel, if any

Other than the remuneration stated above, Shri. V.D. Bajaj has no other pecuniary relationship directly or indirectly with the Company.

III. Other Information

1. Reasons for inadequate profits

The performance of the Company during the year ended 31st March 2010, as explained in the Directors' Report and Management Discussions and Analysis annexed, was adversely affected due to substantial dip in the capacity utilisation to rationalise inventory holding, continued pressure on selling price and inadequate respite in the cost of inputs.

2. Steps taken or proposed to be taken for improvement.

With the growth in demand and increase in the selling prices of domestic newsprint from the quarter beginning April, 2010 and the further increase expected in the coming quarters, the Company expects an improved performance during 2010-11.

DETAILS OF THE DIRECTOR SEEKING RE-APPOINTMENT IN FORTHCOMING ANNUAL GENERAL MEETING (In pursuance of Clause 49 of the Listing Agreement)

Name of Director	Shri Shree Kumar Bangur	Shri Virendra Bangur	Shri K. L. Chandak
Date of Birth	16.11.1949	19.03.1975	29.08.1946
Qualifications	B.Com.	B.Com.	B.Com., ACA
Expertise in specific functional areas	An industrialist of repute with extensive experience of paper industry and general management of Corporate & Industrial affairs. He is also past president of Indian Paper Manufacturers Association. He is also a Committee Member of Federation of Indian Chamber of Commerce & Industry (FICCI), Indian Chamber of Commerce and Bharat Chamber of Commerce.	He is an Industrialist of repute with extensive experience of management and administration of corporate affairs.	He is Executive Director of The West Coast Paper Mills Ltd., A coveted rank-holder in India's Chartered Accountancy examination. He has expertise in Finance and Accounts as well as general administration and management of Company Affairs.
Directorship in Other Companies	The West Coast Paper Mills Ltd., The Diamond Company Ltd., Jayshree Chemicals Ltd., The Kil Kotagiri Tea & Coffee Estates Co. Ltd., Mothola Company Ltd., Shree Satyanarayan Investments Co. Ltd., Union Company Ltd. Gloster Telecom Ltd., Hindustan National Glass & Industries Ltd., Laxmi Asbestos Products Ltd., Shree Satyanarayan Properties Pvt. Ltd. and Marwar Textiles (Agency) Pvt. Ltd.	Akhiva Tea Plantations & Agro Industries Limited, Gold Mohore Investment Company Ltd., Jayshree Chemicals Ltd., Taparia Tools Ltd., Union Company Ltd., High Profile Travels Pvt. Ltd., Shree Satyanarayan Properties Pvt. Ltd. and Suraj Agencies Pvt. Ltd.	Bahubali Paper Ltd. and The West Coast Paper Mills Ltd.
Membership of Committees of Board of other Companies	Remuneration Committee : Jayshree Chemicals Ltd.	Investors' Grievance Committee : Jayshree Chemicals Ltd.	NIL
Share holding in the Company	18,38,610	2,45,352	6,250

DIRECTORS' REPORT



To
The Members of
RAMA NEWSPRINT AND PAPERS LIMITED

Your Directors are pleased to present the 19th Annual Report and the Audited Accounts for the Financial Year ended 31st March 2010.

FINANCIAL RESULTS

	(Rs. in lacs)	
	Year Ended 31.03.2010	Year Ended 31.03.2009
Sales (Net of Excise Duty)	30,911.72	34,222.03
Other Income	581.95	452.87
Profit before Interest and Depreciation	(108.10)	2,200.99
Less: Interest & Lease rent	3,241.56	3,620.12
Profit/(Loss) before Depreciation and Tax	3,349.66	(1,419.12)
Less: Depreciation	3,464.08	3,435.28
Less: Current Tax (Fringe Benefit Tax)	-	17.00
Less: Deferred Tax	(1,149.18)	(2,144.31)
Net Profit / (Loss)	(5,664.56)	(2,727.09)

DIVIDEND

In view of the loss suffered by the Company during the year under review, the Company is not in a position to pay any dividend.

PERFORMANCE DURING 2009-10

The historic recession which had embraced worldwide economy in the 2nd half of F.Y.2008-09 continued its effect on the demand and consumption of Newsprint in the year under review also. The Company had to resort to supply management and also had to shift a part of production to Writing & Printing varieties so as to ease pressure on Newsprint. As a result, the saleable production during the year under review was 1,04,931 MT (including 33,082 MT of Writing & Printing paper) against 1,24,509 MT (including 81 MT of Writing & Printing paper) during 2008-09. The capacity utilization during the year was lower at 80%. The Company registered a sales volume of 1,19,395 MT (including 30,003 MT of Writing & Printing Paper) as against 1,09,111 MT (including 2,584 MT of Writing & Printing paper) in 2008-09. The stock of finished goods which was 19,939 MT in the beginning of the year came down to 5,472 MT as on 31.03.2010.

The major impact on the profitability of the Company during the year is due to substantial dip in the capacity utilization, continued pressure on selling prices and not adequate and matching respite in the cost of inputs. However, the Company continued its efforts to optimize the operating and productivity parameters at the mills.

The situation on the international front was also no different and especially countries like USA, Canada, Europe etc. continued to see negative growth and therefore had to resort to production cuts and shutting down of the uneconomic plants. However, from January – March, 2010 quarter there was some upward movement in the international prices of Newsprint, which brought back the hope of the bottoming up of the declining trend.

In spite of the adverse condition as stated above, the Company met all its debt repayment obligations successfully. However, with a view to strengthen its financials, the Company plans to

come out with a Rights Issue of Equity Shares of upto Rs.50 crores for which necessary steps have been initiated.

CURRENT YEAR'S PROSPECTS AND FUTURE PLANS

The consumption of Newsprint is directly linked to the growth in the economy. Fortunately, Indian economy showed a positive GDP growth of 7.5% in the F.Y. 2009-10 and it is expected to grow at about 9% during the F.Y. 2010-11. The signs of recovery are clearly visible in the growth in manufacturing and service sectors. The flow of advertisement has improved both from the Government sector and also the promotional advertisements from the Corporate sector. This has helped in increasing back the pagination of the newspapers and magazines and consequently has increased the consumption of Newsprint in India.

Robust demand has helped the international players to push up the prices of Newsprint by about US \$ 60/MT from the quarter beginning April, 2010. The domestic manufacturers could also get an increase of about Rs.2500-Rs.3000/MT during this quarter. However, this much jump in prices is not sufficient to meet the losses of manufacturers & therefore with continuing growth in demand, it is expected that this trend will continue through-out the year and the Company will be able to optimize the capacity utilization and improve the profitability.

Further, the Company has identified certain low value Capex items with quick payback period which shall improve the productivity at Mills and shall help in improving the profitability of the Company. The Company is in the process of trying up funds for the same.

Besides, the Company is planning to unlock the value of locked assets and for this purpose have identified the following areas:

1. Export of surplus power from the existing power generating facility.
2. Earmarking about 250 acres of land for developing a Special Economic Zone.

RAW MATERIAL

The Company uses eco friendly recycled fibre as main raw material. The blending of purchased pulp is done as per the quality requirement in the final product. The recycled fibre and pulp are sourced from domestic sources as well as from imports. It is heartening to note that world wide awareness for recycling and reuse of the precious fibre is increasing and therefore the recovery percentage of recycled fibre is improving day by day. The Company is duly complying with all the requirements under Hazardous Material (Management, Handling and Transboundary Movement) Rules, 2007.

CORPORATE SOCIAL RESPONSIBILITY

The Company is conscious about its social responsibilities towards the public living within the vicinity of its Mills. The Company continues to impart regular health check facilities for the community in the nearby villages and distribute free medicines to the needy apart from supplying free Drinking Water on a regular basis to the nearby villages.

The Company has opened a modern English Medium School to impart quality education to the students in the vicinity. In addition, the Company also undertakes various community welfare jobs as and when needed.

DIRECTORS' REPORT

ANNUAL REPORT
2009 - 2010

DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956

The Directors hereby confirm that: -

1. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
3. Proper and sufficient care has been taken for the 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;
4. The annual accounts have been prepared on a "going concern" basis.

PUBLIC DEPOSITS

The Company has not accepted any deposits from public during the year under review.

LISTING OF SHARES

Equity Shares of Company are listed on Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). The Company has duly paid listing fees to the stock exchanges.

DIRECTORS

During the year under review, Shri Vashu Ramsinghani and Shri Amit Ramsinghani resigned on 31st March 2010 due to their personal commitments.

The Directors place on record their appreciation of the valuable contribution made by Shri Vashu Ramsinghani & Shri Amit Ramsinghani during their tenure as Directors of the Company.

Shri S K Bangur, Shri Virendra Bangur & Shri K L Chandak are retiring by rotation at the ensuing Annual General Meeting and, being eligible, have offered themselves for re-appointment.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars with respect to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as required under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are furnished as Annexure – I to this Report and forms part of it.

PARTICULARS OF EMPLOYEES

Particulars of employees under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended to date, are furnished as per Annexure-IV

CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION & ANALYSIS

Report on Corporate Governance is made part of this Annual Report as Annexure – II and Management Discussion and Analysis Report as Annexure – III.

As required by the Listing Agreements, the Certificate of Auditors on Corporate Governance compliance is also annexed to this Annual Report.

The Certificate from CEO/CFO was placed before the Board of Directors at the meeting held on 29th May 2010.

CASH FLOW STATEMENT

As required under clause 32 of the listing agreement with the Stock Exchanges, the Cash Flow Statement is attached to the Balance Sheet.

AUDITORS

The present Auditors of your Company, M/s. Haribhakti & Co., Chartered Accountants hold office until the conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment.

AUDITORS' REPORT

The Notes to accounts, forming part of Balance Sheet as at 31st March 2010 and Profit & Loss Account for the year ended on that date, referred to in the Auditors' Report are self explanatory.

COST AUDIT

The cost accounts records maintained by the company are subject to audit by the qualified Cost Auditors. Your Company has appointed Shri. Narottam Tola, a qualified Cost Accountant for conducting the audit of cost account records for the year ended 31st March 2010 and the Cost Audit report will be submitted to the Ministry of Corporate Affairs, Government of India in due course.

INDUSTRIAL RELATIONS

The industrial relations continued to remain cordial throughout the year under review except during the period from 12.1.2010 to 7.2.2010 when employee's unions were on strike for wage revision and production suffered. However, despatches of finished goods continued even during the strike period. The management has entered into a long term settlement with the employee's unions assuring complete industrial peace and harmony.

ACKNOWLEDGEMENT

The Directors wish to place on record and acknowledge their appreciation and gratitude for the continued co-operation and support received from the Central Government, the State Government of Gujarat, Regulatory Bodies, participating Financial Institutions and Banks, Customers, Suppliers and Dealers. The Directors take this opportunity to express their appreciation towards the dedication, commitment and teamwork shown by employees, which has contributed in taking the Company on the path of prosperity. Your Directors further thank the fraternity of Members/Shareholders for their continued confidence reposed in the management of the Company.

By Order of the Board

Place: Mumbai
Date: 29.05.2010

S. K. BANGUR
CHAIRMAN

ANNEXURE TO DIRECTORS' REPORT



ANNEXURE – I

INFORMATION AS PER SECTION 217(1)(e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS), RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31st MARCH 2010.

A. CONSERVATION OF ENERGY

1. ENERGY CONSERVATION MEASURES TAKEN:

Following measures have been taken during 2009-10 for energy conservation –

- i) Firing of ETP sludge in Boiler.
- ii) Trimming of Impeller of Dump Tower Feed Pump in FDP-II.
- iii) Reduction in Speed of Gould Pump in FDP-II
- iv) The recirculation pump of Dump Tower of FDP-I has been stopped without any effect on process performance.
- v) Replacement of motor in FDP-II with standard 415 V ABB make motor.
- vi) Trimming of impeller of Krofta Feed Pump (by 8%) in FDP-II.
- vii) The speeds of FDP-I Dump chest agitator & FDP-II storage tower agitator reduced by 10%..
- viii) The standby pump (with 75 Kw Motor) in FDP-I taken into operation in place of pump (with 110 KW motor)
- ix) Replacement of blades of New Cooling Tower Fans No. 1,2 & 3 by energy efficient FRP blades of modified design.
- x) Secondary Fine screen Motor in FDP-I converted from Delta connection to Star connection.
- xi) The speed of HD Tower Agitator in FDP-I was reduced by changing the motor pulley.
- xii) In Paper Machine No.-II Blending Chest bypassed and thus saving power consumption of one pump and one agitator. (During Newsprint run only)
- xiii) The speed of De-ink chest agitator in Paper Machine II is reduced by changing the pulley.
- xiv) In compressor House Refrigeration Air Dryer started in place of HOC dryer.

2. WATER CONSERVATION MEASURES TAKEN:

- i) Reuse of drain water at W.T.P from Lamella Clarifier .
- ii) Utilization of rain water collected in guard pond for use as make up water in Fire Reservoir tank.
- iii) Fresh Water replaced with ETP water in gland cooling circuit of Drum screen accept pump & Sludge chest pump in FDP-I.
- iv) Sealing water for Vacuum pump of M. C. Pump replaced from fresh water to ETP water in FDP-I.
- v) Sealing water for Vacuum pump no.1 and 2 of ENSO washers replaced from fresh water to ETP water in FDP-II.
- vi) Replacement of use of Fresh Water for cleaning at Basement under the dryer hood and for fire emergency hose pipe tapping with ETP Water in Paper Machine No.-II.

- vii) Use of Back water for make up water in clear water tank in Paper Machine No.-II to replace fresh water.

3. ENERGY CONSERVATION MEASURES PROPOSED FOR FUTURE:

- i) To reduce the power and air consumption in compressor house, small size paper feeding nozzles will be provided in both the Paper Machines.
- ii) Replacement of the blades of Paper Machine Hood exhausts fans by Energy Efficient FRP Fans.
- iii) To replace existing propeller of both machine chest and broke dump chest to reduce power consumption.
- iv) Reduce the speed of dry-end pulper by 15% to reduce power consumption in Paper Machine No.-I.
- v) To replace the existing 132 KW motor of Primary pressure screen in Paper Machine No.-I by a new 110 KW motor.
- vi) Installation of VFD in Power Boiler CE-4 & AP-2 Fans for power saving.

4. WATER CONSERVATION MEASURES PROPOSED FOR FUTURE:

- i) To reduce fresh water consumption by utilization of Cooling Tower blow down water as make up water in fire reservoir.
- ii) To reduce fresh water consumption by utilization of back wash water of ACF & DMF unit of DM plant in Cooling Tower.
- iii) To reduce the consumption of fresh water in paper machines, excess back water can be stored and used when required. Proposed for storing back water storage tank of 800 M3 Capacity is under consideration.
- iv) To instal suitable Instrument Valve in Wire lubrication shower main header to reduce the Water consumption during wash-up.

5. IMPACT OF MEASURES (1&2) ARE:

Reduction in consumption of Fresh water & Power consumed for production of Newsprint Papers as well as Writing and Printing Papers. Specific water consumption will also come down during normal running of plant. Apprx. reduction in power consumption of 3200 kWh/Day and reduction in water consumption of 457 M3/day of paper is achieved over the previous year.

B. TECHNOLOGY ABSORPTION

Effort made in Technology Absorption adoption & innovation as per Form B – enclosed.

C. FOREIGN EXCHANGE EARNING AND OUTGO

Rs. (In Lacs)

	Current year ended 31.3.2010	Previous year ended 31.3.2009
Foreign Exchange Earning	1,066.95	95.42
Foreign Exchange Used	8,170.62	8,806.23

FORM - A

Form of Disclosure of particulars with respect to Conservation of Energy

A) Power and Fuel Consumption

Sr. No.	For the Year ended 31.03.10	For the Year ended 31.03.09
1. Electricity		
a) Purchased		
Units (Kwh in thousand)	2522	4974
Total Amount (Rs. in lacs)	356.27	494.76
Rate/Unit (Rs)	14.12	9.95
b) Own Generation		
I. Through Diesel Generator		
Units (Kwh in thousand)	2	35
Unit per Litre of Diesel/Oil	3.31	3.47
Rate/Unit (Rs)	10.38	8.92
II. Through Steam Turbine/Generator		
Unit (Kwh in thousand)	11,3128	1,26,666
Rate/Unit (Rs)	2.73	2.73
2. Coal		
Quantity (MT)	13,5085	1,57,902
Total Cost (Rs. In lacs)	4,326.48	5,249.60
Average rate (Rs. Per MT)	3203	3325
3. Furnace Oil		
Quantity (K.Ltr)	Nil	Nil
Total Amount (Rs. In lacs)	Nil	Nil
Average rate (Rs. Per K. Ltr)	Nil	Nil

B) Consumption per MT of Production of Newsprint / Writing & Printing Paper

	For the Year ended 31.03.10	For the Year ended 31.03.09
Electricity (kwh)	1,102	1,050
Furnace Oil (K. Ltr)	Nil	Nil
Coal (kgs)	1,287	1,260

FORM - B

Form for disclosure of particulars with respect to Technology Absorption

RESEARCH AND DEVELOPMENT (R & D)

- i. Lab evaluation of raw material for developing writing & printing grade paper.
- ii. Lab study carried out to select specialty chemicals/additives for writing & printing grade paper.
- iii. Lab studies followed by plant trial carried out to select alternative source of Dye for cost reduction without effecting quality and one indigenous product has been substituted with imported chemical. Substantial cost reduction achieved.
- iv. Development of high brightness maplitho & IPO grade paper. Based on lab scale results, plant trial of de-inking chemical for writing & printing paper for cost effectiveness was taken and established.
- v. Lab and plant trials carried out to evaluate the performance of using cationic starch with respect to fluff reduction. Substantial fluff reduction achieved along with cost reduction by way of better retention, improved high ash and sheet properties.
- vi. Lab evaluation of five OBA samples against existing chemical being used, two products selected as substitute Based on lab results, plant trial of OBA initiated for better brightness and whiteness on paper.
- vii. Lab study followed by plant trial was taken as alternative indigenous source of biocide for cost reduction without affecting quality and machine run ability. Product is established with cost reduction.
- viii. Lab study carried out to select alternative source of PAC for sludge dewatering for cost reduction and substantial cost reduction achieved.
- ix. Mapping of different process parameter of FDP-I & FDP-II for process improvement.

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

- 1. Efforts in brief made towards technology absorption, adoption and innovation:**
 - i] Firing of ETP sludge in CE-4 Boiler furnace as non conventional fuel through existing under feed system alongwith coal.
 - ii] Installation and commissioning of Variable Frequency Drive (VFD) in the Screw Press at E. T. Plant for better removal of moisture from the sludge.
 - iii] Installation of Online Dryer screen cleaning system in Paper Machine No.-I
 - iv] Up-gradation of UNIX based station by Window XP system.
- 2. Benefits derived as a result of above efforts:**
 - i] Use of waste by-product and reduction in coal consumption.
 - ii] Improvement in dryness of ETP sludge.
 - iii] To have better control over sticky breaks and reduced steam demand due to better permeability of fabric after installation of Online Shower
 - iv] Improved/upgraded technology for reliability in operation.
- 3. Details of Project Development work in the field of Energy which are in Progress:**
 - i] Up-gradation of Dense Phase Ash Handling System for Power Boiler AP-2.
 - ii] Electronic governor & DCS system for Siemens Turbo Generator.

CORPORATE GOVERNANCE REPORT



ANNEXURE - II

CORPORATE GOVERNANCE REPORT

(As required by Clause 49 of the Listing Agreement of the Stock Exchanges)

(The Corporate Governance Report is for the Year under review i.e. from 1st April 2009 to 31st March 2010)

1) Company's Philosophy on Code of Corporate Governance

The Company has ingrained the objectives of good quality Corporate Governance, which will lead to creation of value for all its stakeholders. The Company adopts the best of the Corporate Governance practices in its spirit, whereby the highest level of transparency, accountability and equity is maintained at all levels of its operations. The Company policies are drawn keeping in mind the interest of all its stakeholders and with an ultimate objective of creation of wealth for its stakeholders.

By following good corporate governance practices, the Company ensures transparency in its policies, processes, reporting and decision making processes. The Company emphasizes on effective and efficient accounting system, internal control mechanism and planning process. The practices adopted by the Company emphasize that all the resources are utilized optimally and effectively so that the Company grows from strength to strength and creates wealth for its stakeholders.

The Board of Directors of the Company has appropriate composition of Executive and Non-Executive Directors including Independent Directors. The Board of Directors through their active participation ensures that the

The composition of Directors during the year under review and the attendance at the Board Meetings during the year under review and the last Annual General Meeting as also number of other Directorships and Committee Memberships are given below:

Sr. No.	Name of Director	Position	No. of Board Meetings attended	Attendance at last AGM	No. of other Public Co. Directorships	No. of other Committee Membership in other Public Company.*	
						Chairman	Member
1.	Shri Shree Kumar Bangur #	Chairman	4	No	10	-	-
2.	Shri Virendra Bangur #	Vice-Chairman	5	No	5	-	1
3.	Shri Vashu J. Ramsinghani ## (resigned w.e.f. 31.03.2010)	Vice-Chairman	5	No	-	-	-
4.	Shri K.L. Chandak	Director	2	No	2	-	-
5.	Shri Amit Ramsinghani ## (resigned w.e.f. 31.03.2010)	Director	4	No	-	-	-
6.	Shri Haigreave Khaitan	Non Executive Independent Director	-	No	17**	-	8

discussions and decisions on the policy matters are taken after due deliberation and discussion and in consonance with good corporate governance practices.

2) Board of Directors – Constitution and Composition

The present Board of Directors of the Company consists of Ten Directors, nine of whom are Non-Executive Directors including six Independent Directors. Shri S.K. Bangur is the Non-Executive Chairman and Shri Virendra Bangur is Non-Executive Vice Chairman of the Company. Shri K.L. Chandak is a Non-Executive Director while Shri V. D. Bajaj is the Executive Director of the Company. Shri M. P. Taparia, Shri Sudarshan Somani, Shri Haigreave Khaitan, Shri S. Doreswamy, Lt. General (Retd) Ashok Kapur and Shri Janak Mehta are other Non-Executive-Independent Directors. The composition of Board of Directors is well within norms of Corporate Governance as applicable as on 31st March 2010.

None of the Directors on the Board are Members in more than ten Committees and they do not act as Chairman of more than five Committees across all Companies in which they are Directors.

a) Number of Board Meetings and Attendance Record of the Directors

The Company has complied with the provisions with regard to holding of Board Meetings during the period under review, i.e. from 1st April 2009 to 31st March 2010.

During the year ended 31st March 2010 the Company had six Board Meetings. These were on 24th April 2009, 30th June 2009, 29th July 2009, 22nd October 2009, 07th January 2010 & 30th January 2010.

CORPORATE GOVERNANCE REPORT

Sr. No.	Name of Director	Position	No. of Board Meetings attended	Attendance at last AGM	No. of other Public Co. Directorships	No. of other Committee Membership in other Public Company.*	
						Chairman	Member
7.	Shri V. D. Bajaj	Executive Director	6	Yes	-	-	-
8.	Shri M. P. Talaria	Non-Executive Independent Director	3	No	6	1	-
9.	Shri Sudarshan Somani	Non-Executive Independent Director	6	No	-	-	-
10.	Shri S. Doreswamy	Non-Executive Independent Director	6	No	6	2	4
11.	Lt. Gen. (Retd.) Ashok Kapur	Non-Executive Independent Director	6	No	-	-	-
12.	Shri Janak Mehta (appointed w.e.f. 20.07.2009)	Non-Executive Independent Director	3	No	-	-	-

* This relates to Committee referred to in clause 49 of the Listing Agreement, viz. Audit Committee and Investor Grievance Committee.

** Includes alternate directorship.

Shri Shree Kumar Bangur is relative of Shri Virendra Bangur (Father & Son)

Shri Vashu J. Ramsinghani is relative of Shri Amit Ramsinghani (Father & Son)

3) Directors' Interest in the Company

For the sake of transparency the Company is committed to make full disclosures regarding the interest of and payments to all Directors. During the year under review the Company made payment of sitting fees of Rs. 4000/- per meeting to Non-Executive Directors for attending Board meetings and Audit Committee meetings. The Company does not pay any other remuneration or commission to the non-executive Directors of the Company. Further, it is not a policy of the Company to give loans and advances to its Directors.

The Company did not have any pecuniary relationship or transactions with the Non-Executive Directors during the year under review.

Sometimes, the Company does enter into contracts with Companies in which some of the Directors of the Company are interested as Director or member. However, these contracts are in the ordinary course of the Company's business without giving any specific weightage to them. Directors regularly make full disclosures to the Board of Directors regarding the nature of their interest in the companies in which they are directors and particulars of contracts, if any, entered with companies in which directors are directly or indirectly concerned or interested are recorded in the Register of Contracts.

Code of Conduct :- The Board of Directors has adopted the CODE OF CONDUCT to be observed by all the Directors and Senior Management while executing their official duties and responsibilities. The Code of Conduct is posted on the website of the Company. All Directors and designated senior management cadre of the Company have affirmed compliance of the Code of Conduct. The declaration to this effect signed by the Executive Director is annexed to this report.

CEO/CFO Certification :- As required under clause 49V of the listing agreement with stock exchanges, the Executive Director and Vice President (Fin & A/cs) have certified to the Board the financial statements for the year ended 31st March 2010.

4) Audit Committee

Terms of reference of the Audit Committee are as per Section 292A of the Companies Act, 1956 and the guidelines set out in the Listing Agreements with the Stock Exchanges that inter-alia, includes overseeing financial reporting process, reviewing periodic financial results, financial statements and adequacy of internal control system with the Management and adequacy of internal audit function, discussions with auditor about the scope of audit including the observation of the auditors and discussion with internal auditors on any significant findings. The Committee also reviews all matters and information required to be reviewed, discussed or investigated as per the provisions of the Corporate Governance clause and best of the corporate governance practices including but not limited to related party transactions, appointment or removal of chief internal auditors, compliances of legal provisions and accounting standards etc.

CORPORATE GOVERNANCE REPORT



Composition of Audit Committee as on 31st March 2010

During the year under review the composition of the Audit Committee of the Board comprised of following Non-executive-Independent Directors:

Sr. No.	Name of the Member	Status
1.	Shri S. Doreswamy Chairman	Non-Executive Independent Director
2.	Shri Sudarshan Somani	Non-Executive Independent Director
3.	Lt. General (Retd.) Ashok Kapur	Non-Executive Independent Director
4.	Shri Janak Mehta	Non-Executive Independent Director
5.	Shri V. D. Bajaj	Executive Director

During the year under review, seven meetings of the Audit Committee were held on the following dates:

- (i) 24th April 2009 (ii) 30th June 2009 (iii) 16th July 2009
(iv) 29th July 2009, (v) 22nd October 2009, (vi) 26th November 2009, (vii) 30th January 2010.

Attendance of Members at Audit Committee Meetings are as under:

Name of the Director	No. of Meetings attended
Shri S. Doreswamy	7
Shri Sudarshan Somani	7
Lt. General (Retd.) Ashok Kapur	5
Shri Janak Mehta	3
Shri V. D. Bajaj	7

The Statutory Auditors, Internal Auditors and the Head of Finance are invitees to the Audit Committee Meetings. The Company Secretary is in attendance at these Meetings. All members are financially literate and majorities have accounting & financial expertise. The Chairman of the Audit Committee could not attend the previous Annual General Meeting due to some emergency and he authorized Shri V D Bajaj, member of the audit committee on his behalf to answer the queries of shareholders.

5) Remuneration Committee

The Remuneration Committee was constituted on 9th January 2004 to decide the remuneration of Executive Director. The Remuneration Committee was last reconstituted on 30th January 2010, the present composition of the Remuneration Committee is as under: -

Shri M. P. Taparia	Non-Executive Independent Director (Chairman)
Shri Sudarshan Somani	Non-Executive Independent Director
Shri Haigreave Khaitan	Non-Executive Independent Director
Shri K. L. Chandak	Non-Executive Director

The Committee met once on 5th May 2010 where all Committee members were present except Shri M. P. Taparia.

6) Details of remuneration for the year ended 31st March, 2010.

(i) To Executive Director

Name	Salary (Rs.)	Commission (Rs.)	Perquisites (Rs.)	Retirement Benefits (Rs.)
Shri V.D. Bajaj Executive Director	29,09,500	NIL	12,12,983	NIL

Apart from above salary the Executive Director has received no remuneration or incentive during the year under review.

Shri V. D. Bajaj was re-appointed as Executive Director w.e.f. 9th January 2007 for a period of four years. The terms of his remuneration for the period from 1st April 2007 to 31st March 2010 were approved by the shareholders at the AGM held on 19th September 2008.

The appointment of the Executive Director is contractual in nature. The appointment may be terminated by either party by giving 3 months notice of such intention in writing to the other party. In the event the Executive Director delivers the notice, the Company shall have the option of determining the services of the Directors forthwith without any further liabilities whatsoever. In the event such notice is delivered by the Company, the Executive Director shall be entitled to be paid his full salary as per the terms of appointment for a period of three months as well as such other benefits which he would have earned during the same period.

There are no Stock options available / issued to any Directors of the Company and this does not form a part of their contract with the Company.

(ii) To Non-Executive Directors

During the year ended 31st March 2010, the Company, paid remuneration to Non-executive directors by way of sitting fees of Rs. 4000/- per meeting for attending Board Meetings, Audit Committee Meetings and Remuneration Committee Meetings. Apart from payment of Sitting Fees, the company had no other pecuniary relationship or transactions with individual non-executive directors. There are no Stock options available / issued to any Directors of the Company. None of the Non-Executive Directors have shareholding in the Company except the following:-

Sr. No.	Director	Shares held as on 31.03.2010
1	Shri S. K. Bangur	18,38,610
2	Shri Virendra Bangur	4,45,352
3	Shri K. L. Chandak	6,250

7) Share Transfer / Investor Grievance Committee

The Share Transfer & Investors Grievance Committee comprises of Shri. K.L. Chandak (Chairman), Shri. V.D. Bajaj and Shri Haigreave Khaitan, Shri Girish Sharma VP (F&A) & Company Secretary is the Compliance officer of the Company. The Committee oversees the redressal of complaints of the

CORPORATE GOVERNANCE REPORT

**ANNUAL REPORT
2009 - 2010**

shareholders and investors in relation to transfer of shares, non-receipt of annual reports and also approves split/consolidation of shares, issue of duplicate share certificate, etc.

8) General Body Meetings

The last three Annual General Meetings were held at Village Barbodhan, Taluka Olpad, District Surat, Gujarat – 395 005, as per details given below:

Year	Date	Day	Time
16 th AGM - 2007	September 27, 2007	Thursday	2.00 P.M.
17 th AGM – 2008	September 19, 2008	Friday	2.30 P.M
18 th AGM – 2009	September 29, 2009	Tuesday	2.30 P.M

Special Resolutions passed in the previous 3 Annual General Meetings:-

16th AGM - None

17th AGM - To approve the terms of remuneration of Shri V. D. Bajaj, Executive Director for the period from 1st April, 2007 to 31st March 2010.

18th AGM - None

No special resolutions were required to be put through postal ballot last year. At the forthcoming Annual General Meeting also, there is no item on the agenda that needs approval by Postal Ballot.

9) Disclosures

- There were no instances of non-compliance on any other matter related to the capital market, during the last three years.
- There are no transactions, which may have potential conflict with the interest of the Company. Schedule 17 of the Annual Accounts contains the details of related party transactions.
- The Company has complied with all the mandatory requirements prescribed under Clause 49 of the Listing Agreement. Regarding non – mandatory requirements:
 - * Remuneration Committee has been constituted to approve remuneration of Executive Director.
 - * The Board members are having adequate experience and expertise to deal with business matters.
 - * The Company has not established whistle blower policy.

10) Means of Communication

- Quarterly results are published in newspapers. The annual reports are posted to every shareholder of the Company.
- Management Discussion and Analysis forms a part of this Annual Report, which is also being posted to all the Shareholders of the Company.
- The Company's website at www.ramanewsprint.com is regularly updated with financial results and any Official news releases are given directly to the press.

11) General Shareholder Information

(i) Annual General Meeting

Date & Time : Please refer to Notice of the Annual General Meeting being sent alongwith the Annual Report.

Venue : Registered Office at Village Barbodhan, Taluka Olpad, Dist. Surat, Gujarat.

- The Company has furnished information as required by Clause 49 (iv) of the Listing Agreement of the Stock Exchanges, relating to the appointment and re-appointment of Directors.

(iii) Financial Calendar (Tentative)

Adoption of Quarterly Financial Results :-

Quarter ending June 2010	: Last week of July 2010
Quarter ending Sept.2010	: Last week of October 2010
Quarter ending Dec. 2010	: Last week of Jan. 2011
Quarter ending March 2011	: Last week of May 2011
Annual General Meeting	: September 2011
2010-2011	

12) Dates of Book Closure

Please refer to Notice of the Annual General Meeting being sent along with the Annual Report.

13) Listing of Equity Shares on Stock Exchanges, etc.

The Company's shares are listed on Bombay Stock Exchange & National Stock Exchange of India Ltd.

Stock Market price data for the year ended 31st March 2010

Month	B S E		Sensex	
	High (Rs.)	Low (Rs.)	High	Low
April, 2009	18.20	12.51	11492.10	9546.29
May, 2009	26.60	15.40	14930.54	11621.30
June, 2009	24.90	16.90	15600.30	14016.95
July, 2009	19.85	14.00	15732.81	13219.99
August, 2009	21.75	15.75	16002.46	14684.45
September, 2009	22.10	18.00	17142.52	15356.72
October, 2009	19.25	15.15	17493.17	15805.20
November, 2009	20.90	14.10	17290.48	15330.56
December, 2009	54.05	20.00	17530.94	16577.78
January, 2010	50.45	31.10	17790.33	15982.08
February, 2010	35.10	20.20	16669.25	15651.99
March, 2010	25.25	18.55	17793.01	16438.45

CORPORATE GOVERNANCE REPORT



14) Stock Codes & ISIN No.

Bombay Stock Exchange Ltd.: 500356
National Stock Exchange of India Ltd.: RAMANEWS
ISIN of the Company: INE278B01020

15) Share Transfer Agent

The Company has engaged the services of M/s. LINK INTIME INDIA PVT. LTD., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai – 400078, a SEBI registered Registrar, as their Share Transfer Agents, for processing the transfers, sub-division, consolidation, splitting of securities, etc. Since trades in Company's shares are required to be done only in dematerialized form, request for demat and remat should be sent through the Depository Participants (DP) to

M/s. LINK INTIME INDIA PVT. LTD.
Unit: Rama Newsprint & Papers Ltd
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W),
Mumbai – 400078.
Phone No. 25963838 Fax: 25946969.

16.1) Share Transfer System

The Company's shares are traded on the Stock Exchanges compulsorily in demat mode. Therefore, Investors / Shareholders are requested to kindly note that physical documents, viz. Demat Request Forms (DRF) and Share Certificates, etc. should be sent by their Depository Participants (DP's) directly to the Share Transfer Agents. Any delay on the part of the DP's to send the DRF and the Share Certificates beyond 15 days from the date of generation of the DRF by the DP will be rejected / cancelled. This is being done to ensure that no demat requests remain pending with the Share Transfer Agent beyond a period of 30 days. Investors / Shareholders should, therefore, ensure that their DP's do not delay in sending the DRF and Share Certificates to Share Transfer Agent after generating the DRF. Shares in physical are processed by Registrar & Transfer Agent who attend to share transfer formalities normally once in 10 days.

16.2) Investor Grievance Redressal System

The Investors' grievances against the Company are handled by the Company's Registrars and Share Transfer Agents, M/s. Link Intime India Pvt. Ltd., in consultation with the Head of the Secretarial Dept. of the Company. The Registrars have adequate infrastructure facilities coupled with skilled staff with professional qualifications for speedy redressal of Investors' grievances.

All investor complaints, which cannot be settled at the level of the Company Secretary or the Share Transfer Registrars, are forwarded to the Shareholders / Investors Grievance Committee for final settlement. During the year under review the Company received 158 complaints from Shareholders / Debentureholders and same were attended.

17) Distribution of Shareholding as on 31st March 2010

No. of Shares	No. of Shareholders	No. of Shares
Upto 500	99866	7094278
501 – 1000	1899	1505329
1001 – 2000	1090	1569395
2001 – 3000	359	913574
3001 – 4000	141	504198
4001 – 5000	159	752573
5001 – 10000	209	1505272
10001 and above	177	44313413
Total	103900	58158032

18) Pattern of Shareholding as on 31st March 2010

1. Category	No. of shares held	Percentage of shareholding
Promoters	32476353	55.84
Mutual Funds & UTI	60000	0.10
Banks, Financial Institutions	22625	0.04
Foreign Institutional Investors	129742	0.22
Foreign Mutual Funds	12300	0.02
Others		
a) Private Corporate Bodies	9582686	16.48
b) Indian Public	15189148	26.12
c) NRIs / OCBs	336382	0.58
d) Others	348796	0.60
Grand Total	58158032	100.00

19) Dematerialization of Shares

As on 31st March 2010, 5,51,93,955 shares of the Company representing 94.90% of total paid-up share capital were held in dematerialized form and the balance 29,64,077 shares representing 5.10% of total paid-up share capital were in physical form.

20) Factory Location

The Company's factory is located at Village Barbodhan, Taluka – Olpad, District – Surat, Gujarat – 395 005.

21) Address for Correspondence

The Company's Registered Office is situated at Village Barbodhan, Taluka – Olpad, District – Surat, Gujarat – 395 005.

All Shareholders correspondence should be addressed to any of the following:- 22)

RAMA NEWSPRINT AND PAPERS LTD.

SHREENIWAS HOUSE, 3RD FLOOR,
HAZARIMAL SOMANI MARG,
OPP. BOMBAY GYMKHANA, FORT,
MUMBAI – 400001, INDIA.

TEL NO. –22016798. FAX NO. – 22016803

Email : grievances@ramanewsprint.com

Contact Person: Company Secretary/Compliance Officer

OR

LINK INTIME INDIA PVT. LTD.

Unit: Rama Newsprint & Papers Ltd.

C-13, Pannalal Silk Mills Compound,

L.B.S. Marg, Bhandup (W),

Mumbai – 400078.

Phone No. 25963838 Fax: 25946969

Management Responsibility Statement

The Management confirms that the financial statements are in full conformity with requirements of the Companies Act, 1956 and the Generally Accepted Accounting Principles (GAAP) in India. The Management accepts responsibility for the integrity and objectivity of these financial statements as well as for estimates and judgments relating to matters not concluded by the period end. The management believes that the financial statements of operation reflect fairly the form and substance of transactions and reasonably present the Company's financial condition and the results of operations. The Company has a system of internal control, which is reviewed, evaluated and updated on an ongoing basis. The Internal Auditors have conducted periodic audits to provide reasonable assurance that the Company's established policy and procedures have been followed.

CODE OF CONDUCT DECLARATION

I hereby declare that all Board members of the Company and senior management personnel have affirmed compliance with the Code of Conduct of the Company.

For **Rama Newsprint and Papers Ltd.**

V. D. Bajaj

Executive Director

Date : 29th May, 2010

ANNEXURE -III**Management's Discussion & Analysis****STATE OF ECONOMY**

Countries around the world have been in the clutches of historic recession which had embraced the world in the 2nd half of F.Y. 2008-09. There was an unprecedented decline in the real GDP and the spill over effect continued until the 1st half of F.Y. 2009-10. However, the brown shoots and/or green shoots started becoming visible since the 2nd half of F.Y. 2009-10 in different parts of the world depending upon status of economic recovery in the respective countries as a result of swift action taken by the respective Governments. In the calendar year 2010, it is expected that the GDP will grow at about 4% in most advanced countries of the world. The situation, however, was not same through-out the world. In Europe countries like Greece, Spain, Portugal suffered the worst crisis. The situation was no different in the Middle East where in Dubai the real estate prices started melting down resulting into loan repayment crisis. The emerging and developing countries like China and India continued to march ahead backed by buoyant industrial demand.

The fiscal stimulus package sanctioned by the Government of India and regulatory measures taken by the Reserve Bank of India have helped in fast recovery of the Indian Economy. The GDP growth which was at about 6.7% in the year 2008-09 has gone upto about 7.5% in 2009-10 and is expected to be in the range of about 8.5% to 9% in the current year. This growth is mainly led by the manufacturing and service sector which have grown at 9.3% & 8.5% respectively whereas the growth in Agriculture sector remained stagnant and is mainly responsible for rise in the inflationary pressure. The monsoon forecast for the current year are normal and if these predictions come true, the inflation especially on food articles will definitely come under control.

PAPER INDUSTRY OUTLOOK

Paper industry in India is one of the 35 high priority industries and is presently growing at about 6.3% per annum with a turn over of nearly Rs.17,000 crores per annum. The industry contributes about Rs.2,500 crores to national exchequer. The industry employs about 3 lacs people directly and about 10 lacs people indirectly. The per capita consumption in India is 7.2 kg which is far lower than global benchmarks viz. 45 kg in China, 15-20 kg in other East-Asian countries and much higher level that exists in USA, Canada, Europe & Japan. The consumption of paper is expected to rise due to improvement in the level of national income, literacy and industrial developments. The current total installed capacity for paper and paperboard is estimated at around 10 million TPA.

The paper and paperboard industry is broadly classified in the Newsprint, Writing and Printing and Industrial paper. The Indian paper industry is highly fragmented and a variety of fibrous raw materials viz bamboo, hardwoods, agriculture residues and waster paper are being used for paper and paperboard making. The contribution of these raw materials towards production is 30%, 32%, and 38% respectively. As per recent report from CRISIL, paper industry demand is expected to grow at a CAGR of about 6.8% over next 5 years. The encouragement given by

the Government of India for growth of literacy across the country by adopting programs such as "Sarva Shikha Abhiyan" for education seeking compulsory education has contributed significantly to increase in the per capita consumption of paper. The Government of India has increased the budget allocation for education by 16% in the current year to Rs.31,036 crores as against Rs.26,800 crores in the previous year. The demand for industrial paper is also growing at a very fast pace and has almost established linear relationship with GDP growth rate.

NEWSPRINT INDUSTRY

The demand from Newsprint which was growing at CAGR of about 6% during last 5 years, was affected due to sudden recession in the world economy in the 2nd half of 2008-09. Fortunately, the plan drawn by the Government of India for development of the Indian Economy with special emphasis on Agriculture growth, rural development, educational reforms, health and social welfare has revived business confidence. The ad industry which is main contributor for the growth of News publishing industry has shown remarkable recovery as all the key advertisers in sector such as real estate, automobiles, consumer and financial services are reporting higher sales. The advertisement industry expects about 12.8% growth per annum. This has helped in reviving demand of Newsprint as the number of pages and supplements have gone up in the newspapers and magazines besides new launches of satellite editions. The growth in circulation of number, particularly in vernacular newspapers and magazines is remarkable and it is estimated that the vernacular news publishers will become key drivers for the growth of newsprint industry in India. As per recent report from CRISIL research the demand for newsprint is estimated to increase by about 8.6% CAGR over next 5 years.

COMPANY'S PERFORMANCE & OUTLOOK

This has been discussed at length in Directors' Report.

SWOT Analysis**Strengths**

- 1) Strategic location of the plant, good proximity to both market for its finished product and source of its raw material i.e. wastepaper and chemicals.
- 2) Customers' appreciation of company's products.
- 3) Countrywide customer base and Dealer / Distributor network.
- 4) Swing facility on the Paper Machine to produce Newsprint / Writing & Printing grades of paper as the market situation may demand.
- 5) Over 400 acres of land available with the Company sufficient enough for any future expansion and growth. The Company is exploring the possibility of developing a Special Economic Zone (SEZ) to leverage the surplus land.
- 6) Support from the group companies :- The company got support from group company in times of liquidity crisis as and when needed.

Weakness

The Company manufactures its products with 100% recycled fibre, which is perceived a shade below high end products manufactured from virgin pulp.

However, company's products both newsprint paper and writing printing paper are well accepted in the market place due to continuous Research & Development and Technological improvement which have helped the company to improve the quality of its products.

Opportunities

The Company, can encash on the increased outlay by Government for growth in the education sector by producing writing and printing paper. The company can also take the advantage of expected growth in newsprint sector. Being an eco-friendly process based on recycling, the Company also can gain from increased awareness of global warming among its customers as can be seen from trends in developed countries.

Threats

- 1) The Company imports about 40% of the raw material, which is prone to the foreign exchange fluctuations.

However, the company is constantly trying to reduce dependence on imports through Research & Development for finding substitute raw material in domestic market which will also help in reducing its cost of raw material without compromising on quality of finished products.

- 2) The Company is susceptible to cyclicality in International newsprint market and the availability & prices of recycled fibre across the globe.

Internal Control Systems & its Adequacy

Proper and adequate system of internal controls are there to ensure that financial and manufacturing records are reliable and are in conformity with all applicable laws and regulations of the industry. Automatic checks and controls and Management

Reporting system ensure that financial data are properly verified and accounted and human errors are minimized/ eliminated. The Company has appointed external firm of Chartered Accountants who carry out Internal Audit throughout the year on regular basis and with a pre-planned audit schedule. Their suggestions and recommendations are reviewed by the Management regularly so as to enhance the quality of Internal Control System. The Audit committee of the Board reviews and monitors the implications of suggestions and recommendations of Internal Auditors besides giving their own suggestions for strengthening Internal Control methods.

Human Resources

Human Resource is the key to the success of an organization. It is through sincere efforts put in by the employees of its employees that the Company is able to best exploit all other key resources. Therefore in order to nurture human resource and improve the talents and to improve productivity, the Company continuously organizes various training programs both in house and also by deputing the employees to outside forums. Safety, health and welfare of the employees have all along remained the concern of the Management. The Company continues its efforts for improving the quality of education in schools within its vicinity and imparts regular health check-up facilities for all employees including community in the nearby villages.

Cautionary Statement

Statements in this report on Management's Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand supply conditions, finished goods prices, raw materials cost and availability, changes in Government regulations, tax regimes, economic developments within India and other factors such as litigation and industrial relations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

ANNEXURE – IV**INFORMATION AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31st MARCH 2010.**

Name (a) Designation / Nature of Duties (b) Remuneration (Rs.) (c) Qualification (d) Age (Years) (e) Experience (Years) (f) Date of Commencement / Separation of Employment (g) Last Employment.

Employed through out the financial year under review and was in receipt of remuneration, in aggregate, not less than Rs. 24 Lacs per annum.

Shri V. D. Bajaj (a) Executive Director (b) Rs. 41,22,484 (c) Masters in Commerce-Gold Medalist (d) 60 years (e) 40 years (f) 09.01.2004 (g) The West Coast Paper Mills Ltd.

Notes:

1. Remuneration includes Salary, reimbursement of medical expenses, LTA, contribution to Provident Fund and value of perquisites calculated in accordance with the rules framed under the Income Tax Act.
2. Nature of employment is contractual.

AUDITORS' REPORT



AUDITORS' REPORT TO THE MEMBERS OF THE RAMA NEWSPRINT AND PAPERS LIMITED

1. We have audited the attached Balance Sheet of RAMA NEWSPRINT AND PAPERS LIMITED ('the Company') as at 31st March, 2010, and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. 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 misstatement. 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Paragraph 3 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 purpose of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the company so far as appears from our examinations of those books.
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and the Cash Flow Statement comply, in all material respect, with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 to the extent they are applicable to the Company.
 - e) On the basis of the written representations received from the directors as on 31st March, 2010 and taken on record by the Board of Directors of the Company, we report that none of the directors are disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 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 significant accounting policies and the notes thereon give the information required by the Companies Act, 1956, in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2010;
 - b) in the case of the profit and loss account, of the Loss for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For **HARIBHAKTI & CO.,**
Chartered Accountants

Place: Mumbai
Date: 29th May, 2010

Rakesh Rathi
Partner
Membership No. 045228

ANNEXURE TO AUDITORS' REPORT

ANNUAL REPORT
2009 - 2010

REFERRED TO IN PARAGRAPH 3 OF THE AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF RAMA NEWSPRINT AND PAPERS LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2010.

- i) a) The Company has maintained Proper records showing full particulars including quantitative details and situation of fixed assets.
- b) Fixed assets were physically verified by the management in accordance with a planned Programme of verifying them in a phased manner over a period of 3 years, in our opinion, it is reasonable having regard to the size of the company and nature of its assets. As informed to us, no material discrepancies were noticed on such verification.
- c) Based on the information and explanation given by the management and on the basis of audit procedures performed by us, we are of the opinion that the Company has not disposed off substantial part of its fixed assets during the year.
- ii) a) As informed to us, the management has physically verified the inventories at reasonable interval. In our opinion, the frequency of verification is reasonable.
- b) The procedures of verification of inventory followed by the management are reasonable and adequate in relation to size of the company and the nature of its business.
- c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. We are informed that no material discrepancies were noticed on physical verification of inventory and same was properly dealt with in the accounts.
- iii) a) As informed to us, the Company has not granted any loans secured or unsecured to companies, firms or other parties covered in the registers maintained under Section 301 of the companies act 1956 and consequently sub clause (b), (c), (d) of clause 4 (iii) are not applicable.
- b) As informed to us, the Company has taken unsecured loan from three companies listed in the register maintained under Section 301 of Companies Act, 1956, the maximum amount involved during the year was Rs.6.55 crores and the year-end balance of loans were NIL.
- c) According to the information and explanation given to us, the rate of interest and other terms and conditions of loans taken from above mentioned companies, are not prima facie prejudicial to the interest of the Company.
- d) The loans taken are repayable on demand and company has made repayment of loan and payment of interests accordingly.
- iv) In our opinion and according 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 regard to purchase of fixed asset and inventories and sale of goods and services. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- v) a) According to the information and explanation given to us, we are of the opinion that particulars of the contract and arrangement referred to in section 301 of the companies act 1956 that need to be entered in to the register maintained under section 301 have been so entered.
- b) In our opinion and according to the information and explanation given to us, the transaction made in pursuance of the such contract and arrangements exceeding the value of rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) During the year the Company has not accepted any public deposit consequently clause 4 (vi) is not applicable.
- vii) In our opinion, the Company has an adequate internal audit system commensurate with the size of the Company and nature of its business.
- viii) We have broadly reviewed the books of accounts maintained by the company pursuant to the rules made by the central government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956. We are of the opinion that prima facie, the prescribed accounts and records have been maintained. However, we have not made a detailed examination of these records and we have not received cost audit report by the date of signing of the financials and audit report.
- ix) a) According to the records of the Company and according to the information and explanations provided to us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee state insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Cess and other material statutory dues applicable to it, with the appropriate authorities.
- b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of Provident Fund, Investor Education Protection Fund, Employee state insurance, Income tax, Wealth Tax, Service Tax, Sales Tax, Cess and other material statutory dues which are outstanding as at March 31, 2010 for the period of more than six months from the date they become payable, except the Central Sales Tax payable amounting to Rs.10,631 which has been subsequently paid.
- c) According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Wealth tax, Service tax, cess which have not been deposited on account of any disputes except the following:

ANNEXURE TO AUDITORS' REPORT



Name of Statute	Nature of Dues Name of the Dues	Amount (Rs. in Lacs)	Forum where Forum where dispute is pending
Excise/ Customs Act	Duty Demanded on waste for the period April, 2000 to September, 2000	4.00	Dy. Commissioner of Central Excise, Surat.
Excise / Customs Act.	Interest and Penalty on excess credit taken	2.71	Commissioner of appeal Central excise, Surat.
Bombay Stamp Act	Stamp Duty and registration fees including penalty.	130.75	Judge (Senior Division) Surat Civil Court.

- x) There are no accumulated losses exceeding 50% of the net worth of the company at the end of the financial year. The Company has incurred cash losses during the current year and in the immediately preceding financial year.
- xi) Based on our audit procedures and as per the information and explanation given to us we are of the opinion that company has not defaulted in the repayment of dues to a financial institution, banks, or debenture holder.
- xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the company is not a chit fund or nidhi / mutual benefit fund/ society and hence, clause 4(xiii) is not applicable.
- xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investment. Accordingly, the provisions of clause (xiv) are not applicable.
- xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi) In our opinion the term loans were applied for the purpose for which loans were obtained.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet and cash flow of the company, prima facie no fund raised on short term basis have been used for long term investment.
- xviii) The company has not made any preferential allotment of shares to parties and companies covered in the registers maintain under section 301 of the Companies Act, 1956.
- xix) During the year, the Company has not issued any debentures for which securities need to be created.
- xx) During the year, the Company has not raised any money by way of public Issue.
- xxi) Based upon the audit procedures performed and the information and explanations provided to us by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For **HARIBHAKTI & CO.**
Chartered Accountants

Place: Mumbai
Date: 29th May, 2010

Rakesh Rathi
Partner
Membership No. 045228

BALANCE SHEET

ANNUAL REPORT
2009 - 2010

BALANCE SHEET AS AT 31st MARCH, 2010

	SCHEDULE	AS AT 31.3.2010 (Rs.in lacs)	AS AT 31.3.2009 (Rs.in lacs)
SOURCES OF FUNDS:			
Shareholders' Funds:			
Share Capital	1	5,815.80	5,815.80
Reserves & Surplus	2	22,719.34	22,719.33
		<u>28,535.14</u>	<u>28,535.14</u>
Loan Funds:			
Secured Loans	3	21,183.10	19,842.94
Unsecured Loans	4	2,429.79	2,429.79
		<u>23,612.89</u>	<u>22,272.73</u>
TOTAL		<u>52,148.03</u>	<u>50,807.87</u>
APPLICATION OF FUNDS :			
Fixed Assets:			
Gross Block	5	71,154.88	70,334.41
Less: Depreciation		36,905.87	33,444.83
Net Block		<u>34,249.01</u>	<u>36,889.59</u>
Capital Work in Progress	6	176.53	874.56
		<u>34,425.54</u>	<u>37,764.15</u>
Investments	7	1.63	1.63
Net Deferred Tax Asset		6,168.20	5,019.02
Current Assets, Loans & Advances :			
Inventories	8	7,016.28	8,820.53
Sundry Debtors	9	4,122.77	3,918.39
Cash & Bank Balances	10	101.71	47.09
Loans & Advances	11	3,527.91	3,234.12
		<u>14,768.66</u>	<u>16,020.13</u>
Less : Current Liabilities & Provisions :			
Current Liabilities	12	9,352.78	8,497.65
Provisions		255.92	227.55
		<u>9,608.70</u>	<u>8,725.20</u>
Net Current Assets		<u>5,159.96</u>	<u>7,294.93</u>
Debit Balance in Profit and Loss Account		6,392.69	728.14
TOTAL		<u>52,148.03</u>	<u>50,807.87</u>
Notes to Accounts	17		

As per our attached report of even date
For **HARIBHAKTI & CO.**
Chartered Accountants

Rakesh Rathi
Partner
Membership No. **045228**
Place : Mumbai
Dated : 29th May, 2010

Girish Sharma
VP (F&A) & Company Secretary

Shri Kanhaiya Lal Chandak	Director
Shri M P Taparia	Independent Director
Shri S Doreswamy	Independent Director
Shri Sudarshan Somani	Independent Director
Shri Vaishnav Das Bajaj	Executive Director

PROFIT AND LOSS ACCOUNT



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

SCHEDULE	For the Year	
	Ended 31.3.2010 (Rs.in lacs)	Ended 31.3.2009 (Rs.in lacs)
INCOME :		
Sales		
Domestic	30,131.71	34,146.39
Export	1,091.07	82.06
	<u>31,222.78</u>	<u>34,228.45</u>
Less: Excise Duty	311.06	6.42
	<u>30,911.72</u>	<u>34,222.03</u>
Other Income	13	
	581.95	452.87
	<u>31,493.67</u>	<u>34,674.90</u>
EXPENDITURE :		
Material Cost	14	
	22,321.28	22,523.97
Manufacturing & Other Expenses	15	
	9,280.49	9,949.94
	<u>31,601.77</u>	<u>32,473.91</u>
Profit before Interest & Depreciation	(108.10)	2,200.99
Interest and Lease Rent	16	
	3,241.56	3,620.12
Depreciation		
	3,464.08	3,435.28
Profit before Tax	(6,813.74)	(4,854.41)
Fringe Benefit Tax	-	17.00
Deferred Tax	(1,149.18)	(2,144.31)
Profit after Tax	(5,664.56)	(2,727.09)
Add: Brought Forward Surplus / (Deficit)	(728.13)	1,998.95
	<u>(6,392.69)</u>	<u>(728.14)</u>
Basic / Diluted Earnings Per Share	(9.74)	(4.69)
Notes to Accounts	17	

As per our attached report of even date
For **HARIBHAKTI & CO.**
Chartered Accountants

Rakesh Rathi
Partner
Membership No. **045228**
Place : Mumbai
Dated : 29th May, 2010

Girish Sharma
VP (F&A) & Company Secretary

Shri Kanhaiya Lal Chandak Director
Shri M P Taparia Independent Director
Shri S Doreswamy Independent Director
Shri Sudarshan Somani Independent Director
Shri Vaishnav Das Bajaj Executive Director

SCHEDULES

**ANNUAL REPORT
2009 - 2010**

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET & PROFIT & LOSS ACCOUNT

	AS AT 31.3.2010 <u>(Rs.in lacs)</u>	AS AT 31.3.2009 <u>(Rs.in lacs)</u>
SCHEDULE 1:		
SHARE CAPITAL:		
Authorised:		
23,30,00,000 Equity Shares of Rs. 10/- each	<u>23,300.00</u>	<u>23,300.00</u>
Issued & Subscribed:		
5,81,58,032 Equity Shares of Rs.10/- each fully paid-up	<u>5,815.80</u>	<u>5,815.80</u>
	<u>5,815.80</u>	<u>5,815.80</u>
SCHEDULE 2:		
RESERVES & SURPLUS:		
Capital Reserve	<u>10,953.86</u>	<u>10,953.86</u>
Contingency Reserve	<u>11,765.48</u>	<u>11,765.48</u>
	<u>22,719.34</u>	<u>22,719.34</u>
SCHEDULE 3:		
LOANS & ADVANCES FROM BANK		
Rupee Term Loans from Financial Institutions / Banks		
Term Loan		
Axis Bank	<u>3,000.00</u>	<u>3,000.00</u>
Bank of India	<u>5,957.70</u>	<u>6,416.04</u>
ARCIL (Assigned from IIBI)	<u>476.13</u>	<u>571.36</u>
Life Insurance Corporation	<u>573.51</u>	<u>802.91</u>
State Bank of Mysore-Short Term Loan	<u>-</u>	<u>1,500.00</u>
	<u>10,007.34</u>	<u>12,290.31</u>
Working Capital Term Loan		
Bank of India	<u>1,575.00</u>	<u>-</u>
Oriental Bank of Commerce	<u>1,350.00</u>	<u>-</u>
Central Bank of India	<u>1,046.00</u>	<u>-</u>
Axis Bank	<u>529.00</u>	<u>-</u>
	<u>4,500.00</u>	<u>-</u>
Working Capital Demand Loan and Cash Credit from banks	<u>6,675.76</u>	<u>7,552.63</u>
	<u>21,183.10</u>	<u>19,842.94</u>

Notes :

1. The Term Loans are secured / to be secured by first charge ranking pari passu on all immovable properties of the company, both to prior charges created on Company's stock of raw materials, stock-in-process, finished goods, consumable stores etc. in favour of the company's bankers for securing borrowings for working capital requirements, and Corporate guarantee by The West Coast Paper Mills Ltd.
2. The Working Capital Term Loans are secured / to be secured by first charge ranking pari passu on all immovable properties of the company, both present and future and hypothecation of all Company's movable machinery, spares, tools and accessories, present and future, subject to prior charges created on Company's stock of raw materials, stock-in-process, finished goods, consumable stores etc. in favour of the company's bankers for securing borrowings for working capital requirements.
3. Working capital demand loan and cash credit are secured by hypothecation of the Company's stocks of finished goods, stock-in-process, raw materials, stores and spares, book debts, etc. and by a second charge created/agreed to be created on all immovable properties of the company, both present and future.

SCHEDULES



AS AT **AS AT**
31.3.2010 **31.3.2009**
(Rs.in lacs) **(Rs.in lacs)**

SCHEDULE 4:

UNSECURED LOANS :

Interest Free Loan under Sales Tax deferral Scheme (Govt. of Gujarat)

2,429.79 **2,429.79**

SCHEDULE 5:

FIXED ASSETS

Description	GROSS BLOCK			DESPRECIATION					NET BLOCK	
	As at 1.4.2009	Addition during the Year	Deduction during the Year	As at 31.03.2010	As at 1.4.2009	Depreciation for the Year	Deduction during the Year	Total depreciation as on 31.03.2010	As at 31.03.2010	As at 31.03.2009
Freehold Land	201.86	-	-	201.86	-	-	-	-	201.86	201.86
Buildings	9,987.08	-	-	9,987.07	2,899.67	261.58	-	3,161.25	6,825.81	7,087.39
Plant & Machinery	59,473.11	819.32	-	60,292.43	30,070.28	3,172.26	-	33,242.54	27,049.89	29,402.83
Furniture & Fittings	361.56	1.70	-	363.25	265.58	18.46	-	284.05	79.21	95.97
Office Equipment	257.43	7.09	0.13	264.41	183.62	8.09	-	191.71	72.70	73.82
Vehicles	53.38	-	7.52	45.86	25.67	3.69	3.04	26.32	19.53	27.71
Total	<u>70,334.41</u>	<u>828.11</u>	<u>7.65</u>	<u>71,154.88</u>	<u>33,444.83</u>	<u>3,464.08</u>	<u>3.04</u>	<u>36,905.87</u>	<u>34,249.01</u>	<u>36,889.59</u>
Previous Year	<u>70,081.53</u>	<u>262.25</u>	<u>9.36</u>	<u>70,334.41</u>	<u>30,018.38</u>	<u>3,435.28</u>	<u>8.83</u>	<u>33,444.83</u>	<u>36,889.59</u>	<u>40,063.14</u>

SCHEDULE 6 :

CAPITAL WORK IN PROGRESS

Plant & Machinery

118.63 821.38

Building

57.90 53.18

176.53 **874.56**

SCHEDULE 7 :

INVESTMENTS

LONG TERM : (At Cost)

Non Trade Investments

A) QUOTED: EQUITY SHARES

50	Equity Shares of Rs.10/-each of the Andhra Pradesh Paper Mills Ltd.	0.08	0.08
03	Equity Shares of Rs.10/-each of the Bengal & Assam Co. Ltd.	0.03	0.03
1000	Equity Shares of Rs.1/- each of Orient Paper Mills Ltd.	0.24	0.24
250	Equity Shares of Rs.2/- each of West Coast Paper Mills Ltd.	0.02	0.02
165	Equity Shares of Rs.10/- each of Shree Vindhya Paper Mills Ltd.	0.13	0.13
50	Equity Shares of Rs.10/- each of Nath Pulp & Paper Mills Ltd.	0.04	0.04
500	Equity Shares of Rs.10/- each of Pudumjee Pulp & Paper Mills Ltd.	0.15	0.15
300	Equity Shares of Rs.2/- each of Ballarpur Industries Ltd.	0.28	0.28
100	Equity Shares of Rs.10/- each of Sirpur Paper Mills Ltd.	0.07	0.07
50	Equity Shares of Rs.10/- each of Rohit Pulp & Paper Mills Ltd.	0.06	0.06
180	Equity Shares of Rs.10/-each of J.K.Lakshmi cement ltd.	0.31	0.31
100	Equity Shares of Rs.10/-each of Mysore paper mills Ltd.	0.01	0.01
600	Equity Shares of Rs.10/-each of Tamilnadu Newsprint and Papers Ltd.	0.18	0.18
		<u>1.61</u>	<u>1.61</u>

B) UNQUOTED: EQUITY SHARES

100 Equity Shares of Rs.10/-each of Titagur Paper Mills Ltd. **0.02** 0.02

Total A+B **1.63** **1.63**

Note:

Market value of Quoted investments as on 31.3.2010 Rs.1.48 lacs
(as on 31.3.2009 Rs.0.96 lacs)

SCHEDULES

ANNUAL REPORT 2009 - 2010

	AS AT 31.3.2010 <u>(Rs.in lacs)</u>	AS AT 31.3.2009 <u>(Rs.in lacs)</u>
SCHEDULE 8 :		
INVENTORIES		
(As taken, valued and certified by Management)		
Raw materials	2,694.99	1,338.46
Chemicals	232.43	243.62
Stores, Spares and Packing material	2,013.73	2,244.84
Stock-in-Process	401.09	294.22
Finished Goods	1,674.03	4,699.39
	<u>7,016.28</u>	<u>8,820.53</u>
 SCHEDULE 9 :		
SUNDRY DEBTORS		
(Unsecured, considered good, unless otherwise stated)		
Exceeding six months	298.79	96.24
Others	3,823.98	3,822.15
	<u>4,122.77</u>	<u>3,918.39</u>
 SCHEDULE 10 :		
CASH AND BANK BALANCES		
Cash on hand	5.08	4.45
Balances with Scheduled Banks :		
in Current Accounts	61.59	7.52
in Fixed Deposit Accounts (under lien of Banks)	13.74	13.74
in Other Accounts	21.30	21.38
	<u>101.71</u>	<u>47.09</u>
 SCHEDULE 11 :		
LOANS AND ADVANCES AND OTHER CURRENT ASSETS		
(Unsecured, considered good, unless otherwise stated)		
Advances recoverable in cash or in kind or for the value to be received	311.13	133.37
Security & Other Deposits, etc.	500.15	503.71
Balances with Excise and sales tax Authorities	2,663.25	2,555.73
Interest Receivable	17.59	9.73
Income-tax deducted at source	35.79	31.59
	<u>3,527.91</u>	<u>3,234.12</u>

SCHEDULES



SCHEDULE 12 : CURRENT LIABILITIES & PROVISIONS

	AS AT 31.3.2010 (Rs.in lacs)	AS AT 31.3.2009 (Rs.in lacs)
Current Liabilities:		
Acceptances	5,649.20	4,457.02
Sundry Creditors :		
Due to Micro Enterprises and Small Enterprises	-	-
Others	<u>2,312.44</u>	<u>2,719.34</u>
	2,312.44	2,719.34
Unclaimed Interest on Debentures (Shall be credited to Investor Education and Protection Fund, to the extent and as and when required)	28.17	28.29
Other Liabilities	1,324.06	1,257.14
Interest and Lease Rent accrued but not due	<u>38.90</u>	<u>35.86</u>
	9,352.78	8,497.65
Provisions:		
Provision for Retirement Benefits	<u>255.92</u>	<u>227.55</u>
	9,608.70	8,725.20

SCHEDULE 13 :

	(Rs.in lacs)	Year Ended 31.3.2010 (Rs.in lacs)	(Rs.in lacs)	Year Ended 31.3.2009 (Rs.in lacs)
OTHER INCOME				
Interest from Banks and Others		10.63		8.92
Dividends		0.06		0.04
Export Incentives		52.07		4.70
Insurance Claims		84.77		30.76
Sale of Scrap		128.90		328.91
Profit on High Seas Sale		62.85		-
Miscellaneous Income		<u>242.67</u>		<u>79.55</u>
		581.95		452.87

SCHEDULE 14: MATERIAL COST

Consumption of Raw Materials:				
Opening Stock	1,338.46		3,481.51	
Add: Purchases	<u>16,284.03</u>		<u>18,751.07</u>	
	17,622.49		22,232.58	
Less: Closing Stock	<u>2,694.99</u>		<u>1,338.46</u>	
		14,927.50		20,894.12
Consumption of Chemicals		2,923.60		3,136.89
Consumption of Stores and Spares & Packing Materials		<u>1,551.70</u>		<u>1,987.75</u>
		19,402.80		26,018.76
Increase (-)/Decrease (+) in Stock of Finished Goods & Stock in Process				
Opening Stocks:				
a) Finished Goods	4,699.39		1,299.56	
b) Stock-in-Process	<u>294.22</u>		<u>199.25</u>	
	4,993.61		1,498.81	
Closing Stocks:				
a) Finished Goods	1,674.03		4,699.39	
b) Stock-in-Process	<u>401.09</u>		<u>294.21</u>	
	2,075.12		4,993.60	
		<u>2,918.49</u>		<u>(3,494.79)</u>
		22,321.28		22,523.97

SCHEDULES

ANNUAL REPORT 2009 - 2010

	<u>Year Ended</u> <u>31.3.2010</u> <u>(Rs.in lacs)</u>		<u>Year Ended</u> <u>31.3.2009</u> <u>(Rs.in lacs)</u>
SCHEDULE 15:			
MANUFACTURING AND OTHER EXPENSES			
Power and Fuel	4,697.55		5,755.95
Water Charges	393.41		430.78
Salaries,Wages,Bonus and Ex-gratia	1,216.46	1,068.15	
Company's contribution to Provident and Other Funds	81.78	81.13	
Gratuity and Leave Encashment	63.73	78.99	
Staff Welfare Expenses	<u>33.08</u>	<u>43.12</u>	
	1,395.05		1,271.39
Repairs and Maintenance :			
Buildings	0.09	0.19	
Plant & Machinery	147.69	263.80	
Others	<u>45.31</u>	<u>77.03</u>	
	193.09		341.02
Insurance	49.59		67.31
Raw material Handling and Operation Charges	529.30		544.81
Rent	148.52		135.12
Rates and Taxes	20.50		21.67
Excise Duty and Cess	61.96		61.25
Director's Sitting Fees	2.68		1.92
Legal and Professional Fees	52.84		79.49
Payment to Auditors:			
Audit Fees	3.75	3.75	
For Taxation matters	0.60	1.20	
Others	<u>4.35</u>	<u>2.63</u>	
	8.70		7.58
Premium on Redemption of Debentures	6.16		7.74
Advances to Creditors W/off	416.44		-
Selling & Distribution Expenses :			
Advertisement & Publicity	4.28	3.79	
Freight on Sale	153.25	206.81	
Other Selling Exps.	0.39	0.09	
Export Exps.	3.96	0.32	
Freight and Handling Charges	83.61	6.37	
Commission on Sales	371.20	316.03	
Discount on sale	<u>68.93</u>	<u>40.74</u>	574.15
Loss on Sale of Fixed Assets	1.49		-
Miscellaneous Expenses	<u>617.59</u>		<u>649.75</u>
	<u>9,280.49</u>		<u>9,949.94</u>
SCHEDULE 16 :			
INTEREST AND LEASE RENT			
Interest :			
on Term loan	1,285.45		1,463.81
on Working Capital Loans	824.20		1,026.48
Others	<u>298.68</u>		<u>294.88</u>
	2,408.33		2,785.17
Lease Rent	<u>833.23</u>		<u>834.96</u>
	<u>3,241.56</u>		<u>3,620.12</u>

SCHEDULES



SCHEDULE 17

NOTES TO ACCOUNTS

Significant Accounting Policy

1) Method of Accounting :

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956 on the basis of accrual basis of accounting, except unascertained insurance claims and comply in all material respects with the accounting standards issued by the Institute of Chartered Accountants of India / accounting standards notified under sub-section (3C) of section 211 of the Companies Act, 1956 (to the extent applicable).

2) 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 amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known / materialize.

3) Revenue recognition :

(a) Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

i) Sale of Product

Revenue is recognized when the significant risks & rewards of ownership of the goods have passed to the buyer. Sales include the amount of Sales Tax/Vat refunds received/due in accordance with incentive scheme.

ii) Interest and Dividend Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend income is recognized when the shareholders' right to receive dividend is established.

iii) Export Incentive

Incentive on Export Income is recognized when certainty of receipts is established.

iv) Insurance Claim

Claims receivable are accounted at the time when such income has been earned by the Company depending on the certainty of receipts.

v) Rent

Rent Income is recognized on the accrual basis based on agreement entered by the Company with the tenants.

b) Fixed Assets :

Fixed Assets are stated at cost less accumulated depreciation thereon. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

c) Borrowing cost:

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the revenue.

d) Depreciation:

Depreciation has been provided on straight-line basis pursuant to Schedule XIV of the Companies Act, 1956.

e) Foreign Currency Transactions:

i) Fixed Assets acquired out of foreign currency loans are recorded at the actual transaction rate. As per revised Accounting Standard – 11 "The Effects of changes in Foreign Exchange Rates", the gain or loss due to exchange rate fluctuations on repayment of such loans during the year is recorded at the actual transaction rates and consequent adjustments are made to the Profit & Loss Account. The gain or loss on translation of such loan liabilities at the year-end is adjusted in the Profit & Loss Account.

ii) Foreign Currency Current Assets and Current Liabilities are recorded at the actual transaction rate. The gain or loss arising out of settlement/ translation of the assets and liabilities at the closing rates due to exchange fluctuations is recognized as income/ expenditure in the profit and loss account.

- iii) Premium or discount arising at the inception of forward exchange contract is amortized as expense or income over the life of the contract. Any gain or loss arising due to exchange difference at the end of the year on such contract are recognized in profit & loss account.
- f) **Taxation:**
Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law), deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the period)
- i) **Current Tax:**
Provision for current tax is made on the basis of estimated taxable income for the accounting year in accordance with the Income Tax Act, 1961.
- ii) **Deferred taxation:**
In compliance with Accounting Standard - 22 issued by the Institute of Chartered Accountants of India, The deferred tax charge or credit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets, subject to the consideration of prudence, are recognized and carried forward only to the extent that there is reasonable certainty that the sufficient future taxable income will be available against which such deferred tax can be realized. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realizations of the assets.
- g) **Inventories:**
Inventories are valued at cost or net realizable value whichever is lower. The costs for the purpose of valuation are determined as under:
- | | |
|--|---------------------------|
| -- Finished goods and Stock-in-process | : - Manufacturing cost |
| -- Raw materials & others | : - Weighted Average cost |
| -- Coal & Chemical | : - FIFO |
- h) **Investments:**
Investments are classified into long-term investments and current investments. Investments that are intended to be held for one year or more are classified as long-term investments and investments that are intended to be held for less than one year are classified as current investments.
Long-term investments are valued at cost. Provision for diminution in value of long term investments is made if in the opinion of management such a decline is other than temporary.
Current investments are valued at cost or market/fair value, whichever is lower.
- i) **Research & Development Expenditure:**
Revenue expenditure on research & development is charged to Profit & Loss account and capital expenditure is added to the cost of fixed assets in the year in which it is incurred.
- j) **Preliminary and Issue Expenses:**
Preliminary and share/debenture issue expenses are amortized over a period of ten years.
- k) **Bad debts/ advances** are written off in the year in which they become irrecoverable.
- l) **Contingent Liabilities** are shown by way of notes.
- 4) Employee Benefits**
Contributions to defined contribution schemes such as Provident Fund etc. are charged to the Profit and Loss account as incurred. The Company also provides for retirement/post-retirement benefits in the form of gratuity and leave encashment. Such defined benefits are charged to the Profit and Loss account based on valuations, as at the balance sheet date, conducted by independent actuaries. The Company has classified various employee benefits as under:
- (A) **Defined Contribution Plans**
- Provident fund
 - State defined contribution plans
 - Employers' Contribution to Employees' State Insurance

The provident fund and the state defined contribution plan are operated by the Regional Provident Fund Commissioner. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes, to fund the benefits. These funds are recognized by the Income tax authorities.

SCHEDULES



The Company has recognized the following amounts in the Profit and Loss Account.

Sr.No.	Particulars	Year Ended 31.03.2010 (Rs. in lacs)	Year Ended 31.03.2009 (Rs. in lacs)
(i)	Contribution to Provident Fund	81.09	80.54
(ii)	Contribution to Employee's State Insurance Scheme	0.69	0.60
	Total	81.78	81.14

(B) Defined Benefit Plans

Gratuity

Leave Encashment

Leave encashment is payable to eligible employees who have earned leaves, during the employment and/or on separation as per the company's policy.

		(Rs. in Lacs)	
		Year ended 31.3.2010	Year ended 31.3.2009
		Gratuity	
(i)	Changes in present Value of Obligation		
	(a) Present value of Obligation as at 1 st April 2009	153.91	127.13
	(b) Interest Cost	13.40	10.51
	(c) Past Service Cost	-	-
	(d) Current Service Cost	19.77	13.41
	(e) Benefits Paid	(12.27)	(18.30)
	(f) Actuarial(Gains)/Loss	1.66	21.17
	(g) Present value of Obligation as at 31 st March, 2010	176.48	153.91
(ii)	Amounts recognized in the Balance Sheet		
	(a) Present Value of Obligation as at 31 st March 2010	176.48	153.91
	(b) Fair value of Plan Assets as at 31 st March 2010	-	-
	(c) (Asset)/ Liability recognized in the Balance Sheet	176.48	153.91
(iii)	Expenses recognized in the Profit and Loss Account		
	(a) Current Service Cost	19.77	13.41
	(b) Past Service Cost	-	-
	(c) Interest Cost	13.40	10.51
	(d) Curtailment Cost/(Credit)	-	-
	(e) Settlement Cost/(Credit)	-	-
	(f) Net Actuarial(Gain)/Loss	1.66	21.17
	(g) Employer's Contribution	-	-
	(h) Total Expenses recognized in the P & L Account	34.84	45.09
(iv)	Details of Assumptions		
	(a) Discount Rate	8.25%	8.00%
	(g) Salary Escalation	4.50%	4.50%
	(h) Attrition Rate	2.00%	2.00%

Note:

The above working is based on upper limit of Rs.3.5 lacs, which has now been enhanced to Rs.10.00 Lacs w.e.f 18/05/2010. However the management feels that the impact would not be material.

SCHEDULES

**ANNUAL REPORT
2009 - 2010**

5. Claims against the Company not acknowledged as debts Rs. 1,523.47 Lacs (as on 31.03.2009 Rs. 1,541.52 Lacs).
6. Estimated amount of contracts remaining to be executed on Capital Account (Net of Advance) NIL (as on 31.03.2009 NIL).
7. Unexpired Letter of Credits established in respect of Plant & Machinery, Raw Materials and Stores & Spares Rs. 3,697.62Lacs (as on 31.03.2009 Rs.4,457.02 Lacs)
8. Bank guarantees issued by banks Rs. 1,158.04 (as on 31.03.2009 Rs. 207.19 Lacs).
9. Arrears of dividend on Cumulative Preference Shares from 15th April 1998 to 15th Dec. 2001 aggregate Rs.2,069.95Lacs.
10. Balances with Excise & Sales Tax Authorities are subject to confirmation.

11. In Respect of Plant & Machinery taken on lease during financial year 1996-97 & 1997-98, the future minimum lease rent payable is as under:

	As on 31.03.2010	(Rs. In Lacs) As on 31.03.2009
Not later than one year	833.23	833.23
Later than one year and not later than five years	1,248.13	2,081.36
Later than five years	-	-
Total	2,081.36	2,914.59

12. Interest free Loan under Sales Tax deferral scheme from Government of Gujarat is repayable in six equal annual installments starting from 31.05.2010. However the company has approached Govt. of Gujarat for deferment in the repayment schedule.
13. There are no amounts outstanding to Micro, Small & Medium Enterprises for more than 45 days as on the date of Balance Sheet.

No interest is outstanding to any Small Scale or Ancillary Unit as on 31st March, 2010, under the provisions of Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertaking Act, 1993.

14. Exchange difference (net) Credit of Rs. 604.66Lacs (previous year (net) Debit Rs.708.42Lacs) has been included in respective heads of accounts in Profit and Loss account.
15. In view of the Tax Remission Scheme availed by the company VAT/CST on sales upto 26.3.2010 (i.e. upto the validity of the Scheme) has been credited to Sales.
16. Details of consumption of raw materials:

Particulars	Year Ended		Year Ended	
	31 st March, 2010		31 st March, 2009	
	Quantity	Value	Quantity	Value
	(MT)	(Rs. In lacs)	(MT)	(Rs. In lacs)
Old Newsprint	58,469.96	5,044.01	91,026.00	9,013.75
White Ledger Cuttings	7,286.47	889.70	2,125.00	261.10
Pulp	6,010.26	1,328.53	560.00	160.70
Magazines, Writing & Printing Materials	52,695.33	6,174.65	36,797.67	4,608.23
Others	20,227.30	1,490.61	56,725.33	6,848.82
	144,689.32	14,927.50	187,234.00	20,895.96

Break-up of consumption of imported and indigenous raw materials, chemicals and stores and spares

Particulars	Year Ended		Year Ended	
	31 st March, 2010		31 st March, 2009	
	Value	%	Value	%
	(Rs. In lacs)		(Rs. In lacs)	
Indigenous	7,309.19	37.67	12,691.15	48.78
Imported	12093.60	62.34	13,327.11	51.22
	19,402.79	100.00	26,018.76	100.00

SCHEDULES



17. Particulars of Capacity, Production, Stock and Turnover:

Particulars	Year Ended 31 st March, 2010		Year Ended 31 st March, 2009	
	Quantity (MT)	Value (Rs. In lacs)	Quantity (MT)	Value (Rs. In lacs)
* Installed Capacity (per annum)				
Newsprint /Writing & Printing Paper	1,32,000	—	1,32,000	—
a) Opening Stock				
- Newsprint	19,913	4814.45	2,012	447.55
- Writing & Printing Paper	26	8.60	2,529	852.01
TOTAL	19,939	4823.05	4,541	1,299.56
b) Production				
- Newsprint	71,849	—	1,24,428	—
- Writing & Printing Paper	33,082	—	81	—
TOTAL	1,04,931	—	1,24,509	—
c) Sales				
- Newsprint	89,392	21,270.13	1,06,527	33,346.83
- Writing & Printing Paper	30,003	9,938.65	2,584	858.14
TOTAL	1,19,395	31,208.78	1,09,111	34,204.97
d) Closing Stock				
- Newsprint	2,370	606.22	19,913	4,814.45
- Writing & Printing Paper	3,105	1,067.81	26	8.60
TOTAL	5,475	1,674.03	19,239	4,823.05
e) Other Sales	—	13.99	—	16.46

*As certified by the Management, this being a technical matter.

18. The details of remuneration paid to Executive Director is as follows:

Particulars	Year Ended 31 st March, 2010 (Rs. In Lacs)	Year Ended 31 st March, 2009 (Rs. In Lacs)
Salary	29.10	27.49
Contribution to Provident Fund	3.11	3.18
Other perquisites	9.01	11.09
	41.22	41.76

19. Value of Imports calculated on C.I.F. basis:

a) Capital Goods	—	—
b) Raw Materials & Chemicals	7,793.52	8,259.54
c) Spare Parts	352.16	473.12
c) Components	—	—
Total	8,145.68	8,732.66

20. Expenditure in Foreign Currency:

a) Traveling Expenses	2.60	1.64
b) Foreign Technicians Fees	—	—
c) Interest on FCNR Loans	22.34	71.16
d) Others	—	0.77
	24.94	73.57

SCHEDULES

ANNUAL REPORT 2009 - 2010

21. Earnings in Foreign Exchange:

Particulars	Year Ended 31stMarch, 2010 <u>(Rs. In Lacs)</u>	Year Ended 31 st March, 2009 <u>(Rs. In Lacs)</u>
Export of goods calculated on F.O.B. basis	1,066.95	95.42

22. Deferred tax assets / (liability) as per AS-22 on Accounting for taxes on income comprises the following.

Particulars	As on 31.3.2009	For the year ended 31.3.2010	As on 31.3.2010
a) Deferred Tax Liability on account of: Depreciation	8,961.03	1,433.25	7,527.78
b) Deferred Tax Assets on account of:			
Unabsorbed Depreciation	12,937.27	(812.32)	12,124.96
Unabsorbed Business Loss	955.79	536.15	1,491.94
Provision for Doubtful Debts and Advances	9.64	(9.64)	Nil
Provision for Retirement Benefits	77.34	1.74	79.08
	<u>13,980.05</u>	<u>(284.07)</u>	<u>13,695.98</u>
Net Deferred Tax Asset	<u>5,019.02</u>	<u>1,149.18</u>	<u>6,168.20</u>

The Company has recognised the Deferred Tax Asset, as the Management strongly believes that there is a virtual certainty about the availability of future taxable income and such deferred tax asset would be realized.

23. Earnings per share:

Particulars	Year Ended 31st March 2010 <u>(5,664.56)</u>	Year Ended 31 st March 2009 <u>(2,726.37)</u>
a) Net Profit (Rs. in Lacs)	(5,664.56)	(2,726.37)
b) Weighted average number of equity shares of Rs.10 each outstanding during the year (No. of shares)	58158032	58158032
c) Basic / Diluted Earnings per Share (Rs.)	(9.74)	(4.69)

24. The Company's products namely newsprint and writing & printing paper are classified under one segment.

25. Related Party Disclosures:

i) Related Party Relationships	
a) Enterprises who exercise control	The West Coast Paper Mills Ltd.
b) Key Management Personnel	Mr. V.D.Bajaj – Executive Director
c) Enterprises owned or significantly influenced by Relatives of Key Management Personnel	Sai Jyoti Paper Products Pvt. Ltd. Shrinath Printers Pvt.Ltd.

Note: In respect of above parties, there is no provision for doubtful debts as on 31st March, 2010 and no amount has been written off or written back during the year in respect of debts due from/to them.

SCHEDULES



ii) Transactions with Related Parties:

(Rs.In Lacs)

Type of Related Party	Nature of the transactions	Year ended 31.03.2010	Outstanding As on 31.03.2010		Year ended 31.03.2009	Outstanding As on 31.03.2009	
			Receivable	Payable		Receivable	Payable
Enterprises who exercise control	Rent	1.20	---	---	1.20	---	0.30
	ICD taken	500.00	---	---	1,200.00	---	---
	ICD repaid	500.00	---	---	1,200.00	---	---
	Interest paid on ICD	43.38	---	---	14.00	---	---
	Security deposit given	---	2.00	---	---	2.00	---
Key Management Personnel	Managerial Remuneration Paid	41.22	---	---	41.76	---	---

26. Particulars of Derivative Instruments :

- (a) No Derivative Instruments are acquired for hedging purpose.
 (b) No Derivative Instruments are acquired for speculation purpose.
 (c) Foreign currency exposures that are not hedged by the derivative instruments or otherwise are :

<u>Currency</u>	<u>Current Year</u>	<u>Previous Year</u>
USD (In Lacs)	85.08	78.42
Equivalent to Rupees (Rs. In Lacs)	3,856.51	4,022.17

27. Previous year figures have been regrouped / rearranged wherever necessary.

Signatures to Schedules 1 to 27

As per our attached report of even date
 For **HARIBHAKTI & CO.**
 Chartered Accountants

Rakesh Rathi
 Partner
 Membership No. **045228**
 Place : Mumbai
 Dated : 29th May, 2010

Girish Sharma
 VP (F&A) & Company Secretary

Shri Kanhaiya Lal Chandak Director
 Shri M P Taparia Independent Director
 Shri S Doreswamy Independent Director
 Shri Sudarshan Somani Independent Director
 Shri Vaishnav Das Bajaj Executive Director

**AUDITORS' REPORT ON CORPORATE
GOVERNANCE REPORT**

**ANNUAL REPORT
2009 - 2010**

**AUDITORS' CERTIFICATE
CORPORATE GOVERNANCE UNDER CLAUSE 49 OF LISTING AGREEMENT(S)**

To,
The Members of
Rama Newsprint and Papers Limited.

We have examined the compliance of conditions of Corporate Governance by Rama Newsprint and Papers Limited for the year ended on 31st March 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of 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 according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For **HARIBHAKTI & CO.**
Chartered Accountants

Place: Mumbai
Date: 29th May, 2010

Rakesh Rathi
Partner
Membership No. 045228

**BALANCE SHEET ABSTRACT AND
COMPANY'S GENERAL BUSINESS PROFILE**



28. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. Company's Registration details :

Registration No.	04-19432
State Code	4
Balance Sheet Date	31st March 2010

2. Capital Raised during the year : (Rs.In lacs)

Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Private Placement	NIL

3. Details of Mobilisation and Deployment of Funds : (Rs.In lacs)

Total Liabilities	52,148.03
Total Assets	52,148.03

Sources of Funds

Paid - Up Capital	5,815.80
Advance against Shares	NIL
Reserves & Surplus	22,719.34
Secured Loans	21,183.10
Unsecured Loans	2,429.79

Application of Funds

Net Fixed Assets	34,425.54
Investments	1.63
Deferred Tax Assets	6,168.20
Net Current Assets	5,159.96
Debit Balance in P&L A/c	6,392.69

4. Performance of company : (Rs.In lacs)

Total Turnover including other income	31,493.67
Total Expenditure	38,307.41
Profit / (Loss) before Tax	(6,813.74)
Profit / (Loss) after Tax	(5,664.56)
Earning Per Equity Share (Rs)	(9.74)
Dividend Rate	NIL

**5. Generic names of three principal products / services of company
(as per monetary terms) :**

<u>Product / Services Description</u>	<u>Item Code No.</u>
Newsprint	1) 48010009
Writing & Printing Papers	2) 48026009

Girish Sharma VP (F&A) & Company Secretary	Shri Kanhaiya Lal Chandak Shri M P Taparia Shri S Doreswamy Shri Sudarshan Somani Shri Vaishnav Das Bajaj	Director Independent Director Independent Director Independent Director Executive Director
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CASH FLOW STATEMENT

ANNUAL REPORT
2009 - 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH,2010
(Pursuant to clause 32 of the listing agreement with Stock exchanges)

	Year Ended 31.3.2010 (Rs.in Lacs)	Year Ended 31.3.2009 (Rs.in Lacs)
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Taxation	(6,813.74)	(4,854.40)
Adjustments for:		
Depreciation	3,464.08	3,435.28
Interest	2,405.29	3,620.12
Other Income (Interest & Dividend)	(9.24)	(8.96)
Loss on sale of Fixed Assets.	1.49	0.00
	<u>5,861.62</u>	<u>7,046.44</u>
Operating Profit / before working capital changes	(952.12)	2,192.04
(Increase)/Decrease in Inventory	1,804.25	(654.87)
(Increase)/Decrease in Debtors	(204.38)	861.25
(Increase)/Decrease in Loans and Advances	(293.77)	207.77
Increase/(Decrease) in current liability	855.13	2,630.20
Increase/(Decrease) in Provision	28.37	42.84
	<u>2,189.60</u>	<u>3,087.18</u>
Cash Generated from Operations	1,237.48	5,279.22
Income Taxes paid	-	(17.00)
Net Cash from Operating Activities	<u>1,237.48</u>	<u>5,262.22</u>
(B) Cash Flow from Investing Activities		
Purchase of Fixed Assets	(828.11)	(262.24)
(Increase)/Decrease in capital work-in-progress	698.03	12.17
Sale of Fixed Assets	3.11	0.53
Interest Received	9.18	8.92
Dividend Received	0.06	0.04
Net Cash Used in Investing Activities	<u>(117.73)</u>	<u>(240.58)</u>
(C) Cash Flow from Financing Activities		
Proceeds from borrowings	4,500.00	1,171.06
Repayment of Borrowings	(3,159.84)	(2,562.76)
Payment of Interest	(2,405.29)	(3,620.12)
Net Cash from Financing Activities	<u>(1,065.13)</u>	<u>(5,011.82)</u>
Net Change in Cash & Cash Equivalents (A+B+C)	54.61	9.82
Cash & Cash Equivalents (Opening Balance)	47.09	37.27
Cash & Cash Equivalents (Closing Balance)	<u>101.71</u>	<u>47.09</u>

Note : Previous year figures have been re-grouped/rearranged wherever necessary.

As per our attached report of even date
For **HARIBHAKTI & CO.**
Chartered Accountants

Rakesh Rathi
Partner
Membership No. **045228**
Place : Mumbai
Dated : 29th May, 2010

Girish Sharma
VP (F&A) & Company Secretary

Shri Kanhaiya Lal Chandak Director
Shri M P Taparia Independent Director
Shri S Doreswamy Independent Director
Shri Sudarshan Somani Independent Director
Shri Vaishnav Das Bajaj Executive Director

RAMA NEWSPRINT & PAPERS LIMITED
Village Barbodhan, Taluka Olpad, District Surat, Gujarat – 395 005.

PROXY FORM

I/We _____
of _____ being a Member(s)
of Rama Newsprint and Papers Limited hereby appoint _____
_____ of _____
or failing him _____ of _____ as

my (our) Proxy to attend and vote for me (us) and on my (our) behalf at the NINETEENTH ANNUAL GENERAL MEETING of the Company to be held on Wednesday, 29th September 2010 at 2:30 p.m. at the Registered office of the Company, and at any adjournment thereof.

Signed this _____ day of _____ 2010

Signature _____

Affix a
1 Rupee
Revenue
Stamp here

This Proxy form must be duly completed and deposited with the Company at its Registered Office, at least 48 HOURS before the Meeting.

----- (TEAR HERE) -----

RAMA NEWSPRINT & PAPERS LIMITED
Village Barbodhan, Taluka Olpad, District Surat, Gujarat – 395 005.

ATTENDANCE SLIP

TO BE SIGNED AND HANDED OVER AT THE ENTRANCE OF THE MEETING HALL
(To be filled in BLOCK LETTERS)

Full name of the member attending _____

Full name of the first joint holder _____

(To be filled in if first named joint holder does not attend the meeting)

Name of Proxy _____

(To be filled in if proxy form has been duly deposited with the Company)

I hereby record my presence at the NINETEENTH ANNUAL GENERAL MEETING of the Company held on Wednesday, 29th September 2010 at Village Barbodhan, Taluka Olpad, District Surat, Gujarat – 395 005.

Register Folio No. _____

DPID _____

Account ID _____

No. of Shares held _____

Member's / Proxy's Signature

(To be signed at the time of
handling over this slip)

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