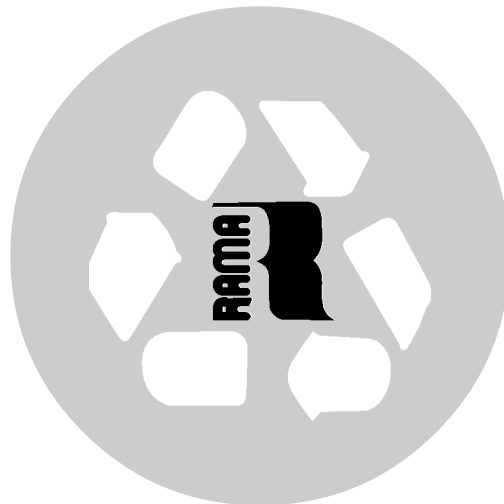


# RAMA NEWSPRINT AND PAPERS LIMITED



18<sup>TH</sup> ANNUAL REPORT  
2008 - 2009

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## **BOARD OF DIRECTORS**

Shree Kumar Bangur  
Virendra Bangur  
Vashu. J. Ramsinghani  
Amit Ramsinghani  
Lt. Gen. (Retd.) Ashok Kapur  
Haigreve Khaitan  
Janak Mehta  
K. L. Chandak  
M. P. Taparia  
S. Doreswamy  
Sudarshan Somani  
V. D. Bajaj

Chairman  
Vice Chairman  
Vice Chairman  
Director  
Independent Director  
Independent Director  
Independent Director  
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, 3<sup>rd</sup> Floor,  
Hazarimal Somani Marg, Fort,  
Mumbai – 400 001  
Ph. : 022-22016798/ 6825/ 6704/ 3807  
Fax : 022-22016803  
E – mail : [ramanewsprint@ramanewsprint.com](mailto:ramanewsprint@ramanewsprint.com)  
Website : [www.ramanewsprint.com](http://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 2008 - 2009

NOTICE IS HEREBY GIVEN THAT THE 18<sup>th</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF RAMANEWSPRINT AND PAPERS LIMITED WILL BE HELD ON TUESDAY, 29<sup>th</sup> SEPTEMBER 2009 AT 2.30 P.M. 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 31<sup>st</sup> March 2009, 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 Vashu J. Ramsinghani, 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 Amit Ramsinghani, 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 M P Taparia, 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 an Ordinary Resolution:

"RESOLVED THAT Lt. General (Retd.) Ashok Kapur who was appointed as an Additional Director of the Company under Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting, and in respect of whom the company has received a notice in writing under section 257 of the Companies Act 1956, from a member proposing name of Lt. General (Retd.) Ashok Kapur as candidate for the office of the Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

7. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Shri Janak Mehta who was appointed as an Additional Director of the Company under Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting, and in respect of whom the company has received a notice in writing under section 257 of the Companies Act 1956, from a member proposing name of Shri Janak Mehta as candidate for the office of the Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

By Order of the Board  
For RAMANEWSPRINT AND PAPERS LIMITED

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

Mumbai, Date: 29.07.2009

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.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from 18<sup>th</sup> September 2009 to 29<sup>th</sup> September 2009 (both days inclusive).
5. 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.
6. 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.
7. 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.
8. 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.
9. 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.20<sup>th</sup> 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 have appointed Lt. General (Retd.) Ashok Kapur as an Additional Director of the Company on 21st January 2009. Lt. General (Retd.) Ashok Kapur has a vast administrative experience having successfully performed various assignments in the Indian Army. At the time of his retirement from the Indian Army he was Chief of Staff, Southern Command, Pune. Post retirement he was Director General of operations and administration of Military World Games and Additional Director General, Common Wealth Youth Games in Pune. Currently, he is an advisor to D. Y. Patil Deemed University for conducting educational programmes for retired soldiers. Lt. General (Retd.) Ashok Kapur is holding office of director of the Company till the date of ensuing Annual General Meeting. A Notice under Section 257 of the Companies Act, 1956 along with deposit of Rs. 500/- has been received from a member signifying his intention to propose the name of Lt. General (Retd.) Ashok Kapur as candidate for the post of Director of the Company. Lt. General (Retd.) Ashok Kapur is eligible for the appointment. Your Directors are of the opinion that appointment of Lt. General (Retd.) Ashok Kapur will be in the interest of the Company and hence commend the same for approval of members.

None of the other Directors is interested in the Resolution.

### ITEM NO. 7

The Board of Directors have appointed Shri Janak Mehta as an Additional Director of the Company on 20<sup>th</sup> July 2009. Shri Janak Mehta, a Commerce Graduate, is the Promoter and President of M/s. LKP Securities Ltd. He has attended various executive programmes at Harvard Business School, ISB, etc. and is a member of various committees on the Bombay Stock Exchange. He has about 23 years of experience in the business of stock broking.

Shri Janak Mehta is holding office of director of the Company till the date of ensuing Annual General Meeting. A Notice under Section 257 of the Companies Act, 1956 along with deposit of Rs. 500/- has been received from a member signifying his intention to propose the name of Shri Janak Mehta as candidate for the post of Director of the Company. Shri Janak Mehta is eligible for the appointment. Your directors are of the opinion that appointment of Shri Janak Mehta will be in the interest of the Company and hence commend the same for approval of members.

None of the other Directors is interested in the Resolution.

# NOTICE

**ANNUAL REPORT  
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**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 Vashu J. Ramsinghani	Shri Amit Ramsinghani	Shri M. P. Taparua	Lt. General (Retd.) Ashok Kapur	Shri Janak Mehta
Date of Birth	08.09.1943	23.10.1981	22.10.1937	13.05.1947	27.10.1963
Qualifications	S.S.C	B.Sc in Business Administration with specialization in Finance & Economics (Boston-USA)	B.A.	Completed 10th, joined National Defence Academy, Khadakwasla	Commerce Graduate
Expertise in specific functional areas	He is a noted industrialist having extensive and varied experience & knowledge of Finance & Accounting and also expertise in the management of Corporate affairs.	An entrepreneur. Currently, he is working for High Precision Seam-less Cylinders for Industrial Gases, CNG & Medical Applications.	Expertise and wide experience in business management, marketing operations and actively involved in various industry forums.	Lt.General (Retd.) Ashok Kapur has a vast administrative experience having successfully performed various assignments in the Indian Army. At the time of his retirement from the Indian Army he was Chief of Staff, Southern Command, Pune. Post retirement he was Director General of operations and administration of Military World Games and Additional Director General, Common Wealth Youth Games in Pune. Currently, he is an advisor to D. Y. Patil Deemed University for conducting educational programmes for retired soldiers.	Shri Janak Mehta is the Promoter and President of M/s. LKP Securities Ltd. He has attended various executive programmes at Harvard Business School, ISB, etc. and is a member of various committees on the Bombay Stock Exchange. He has about 23 years of experience in the business of stock broking.
Directorship in Other Companies	Rama Chemicals (I) Pvt. Ltd., Rama Cylinders Pvt. Ltd., Rama Recycling Pvt. Ltd., Highrise Properties Pvt. Ltd., Vams Properties Pvt. Ltd., Rama Fininvest (I) Pvt. Ltd. and R. C. Fertilisers Pvt. Ltd.	Rama Chemicals (I) Pvt. Ltd., Highrise Properties Pvt. Ltd., Rama Cylinders Pvt. Ltd., Rama Fininvest (I) Pvt. Ltd., Rama Recycling Pvt. Ltd. and Vams Properties Pvt. Ltd.	Supreme Petro-chem Ltd., The Supreme Industries Ltd., Supreme Capital Management Ltd. SPL Industrial Park Ltd. SPL Industrial Support Services Ltd., Kabra Extrusion Technik Ltd., Multilayer Films Pvt. Ltd., Jagatguru Investment & Trading Co. Pvt. Ltd., Polystyrene Producers Association (India), Jeetmal Chhogmal, & Chemical & Petrochemical Manufacturers Association.	NIL	NIL
Membership of Committees of Board of other Companies	NIL	NIL	He is a Committee Member of Chemical & Petrochemical Manufacturers Association	NIL	NIL
Shares held in the Company	14	2792997	NIL	NIL	NIL

# DIRECTORS' REPORT



To  
The Members of  
**RAMA NEWSPRINT AND PAPERS LIMITED**

Your Directors are pleased to present the 18<sup>th</sup> Annual Report and the Audited Accounts for the Financial Year ended 31<sup>st</sup> March 2009.

## FINANCIAL RESULTS

	(Rs. in lacs)	
	Year Ended	Year Ended
	31.03.2009	31.03.2008
Sales (Net of Excise Duty)	<b>34222.03</b>	35576.73
Other Income	<b>452.88</b>	365.50
Profit before Interest and Depreciation	<b>2201.00</b>	7017.62
Less: Interest & Lease rent	<b>3620.12</b>	3402.47
Profit/(Loss) before Depreciation and Tax	<b>(1419.12)</b>	3615.15
Less: Depreciation	<b>3435.28</b>	3433.40
Less: Current Tax (Fringe Benefit Tax)	<b>17.00</b>	20.05
Less: Deferred Tax / (Credit)	<b>(2144.31)</b>	55.11
<b>Net Profit / (Loss)</b>	<b>(2727.09)</b>	106.59

## 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 2008-09

The year under review witnessed wildly fluctuating fortunes for the Newsprint industry in India. While the 1<sup>st</sup> half of the year saw a substantial boom in selling prices of Newsprint in India, the slow down in the overall economy in the later half resulted in a sudden and unexpected decline in the demand of domestic Newsprint. Since about 50 % of the newsprint consumption in India is met through imports, the landed price of imported newsprint determines and / or influences the price of domestic newsprint. The rate of imported newsprint had gone up from US \$ 550-560 per MT in December 2007 to over US \$ 900 per MT in September 2008. However, the sudden recession in the world economy in the second half affected the demand and consumption of newsprint world wide and the prices of imported newsprint crashed to as low as US \$ 450 in March, 2009. As a result, the selling price of domestic Newsprint also declined steeply particularly in the 4<sup>th</sup> quarter of the year under review. While the profit margin was only marginally up during the boom period (as the revenue due to higher sales realization was counter balanced by higher cost of raw material, power and fuel etc.), the impact of recession was really shocking. In spite of the steep fall in the selling price of domestic Newsprint, there was no respite in cost of production due to high cost inventory of raw material etc., in the pipeline and other fixed costs remaining almost at the same level. It took some time to bring the cost of production down to the level to match the reduced sales realization of the finished product and the operating margins were severally hit in the

intervening period. Moreover, the Indian manufacturers were forced to carry much higher level of inventory of finished goods on account of the fact that there was a sudden drop in demand due to shrinkage in the economy and reduced expenditure on advertisement by the corporate houses. As a result, the newspaper publishers resorted to reduction in number of pages and shut down of unviable editions besides trying to reduce the inventory of newsprint paper at their end which they had accumulated earlier during the year for fear of newsprint paper prices going up further.

Major impact in the bottom line of the Company during the year is due to substantial dip in the valuation of inventory of finished goods as on 31.03.2009. As per generally accepted principles of accounting, the inventory is valued at cost or market price whichever is lower. During the peak period the market price being higher, the inventory was valued at cost whereas after the recession, fall in selling prices was far steeper than the costs and hence, inventory had to be valued at the market prices as on 31.03.2009.

During the year the Company registered total sales volume of 1,09,111 MT (including 2,584 MT of Writing & Printing paper) as against 1,36,505 MT (including 4,681 MT of Writing & Printing paper) in 2007-08. With a view to reduce the excessive inventory of finished goods, the Company had to resort to supply management and also undertook annual maintenance shut of the plant to carry out non-recurring maintenance jobs which were essential for maintaining the health of the plant and machinery. As a result, the saleable production during the year under review was 1,24,508 MT against 1,38,771 MT during 2007-08. The capacity utilization achieved during the year was 94%. However, the Company continued its thrust to streamline and optimize operating and productivity parameters at the Mills.

The Company successfully met its debt repayment obligations during the year under review. However, with a view to augment the resources, the Company has approached the consortium of banks for a Working Capital Term Loan of Rs.45 crores in addition to deferment of one year and reshedulement in repayment instalments of existing Term Loans from Bank of India and Axis Bank Ltd.

## CURRENT YEAR'S PROSPECTS AND FUTURE PLANS

Taking advantage of the swing facility available in Paper Machine No.2, the Company has switched-over to production of Writing & Printing paper on this machine w.e.f. 01.04.2009. The Company had the existing dealer network intact. The paper produced by the Company has been well accepted and Company has started getting repeat orders. The operating margin in Writing & Printing

# DIRECTORS' REPORT

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segments is attractive as compared to the Newsprint sector at present.

In addition, the declining trend in the domestic Newsprint price appears to have been arrested and the selling prices are expected to improve particularly in the second half of the current year. The Company plans to continue to produce Writing & Printing paper on Paper Machine No.2 till the situation in the Newsprint sector improves and becomes favourable. Due to lesser production of Newsprint and liquidation of its excess inventory, the Company will be able to improve its marketing operations thereby unlocking the blocked funds, improving liquidity and reducing interest on working capital. As a result, the working of the Company is expected to improve in the current year.

The timely actions taken by the world leaders have already started showing its mark on the world economy. Fortunately, the impact of global recession on the Indian economy was limited and there is still a positive growth in GDP of about 5-6 %. With the growth of Indian economy, increased spending on education, improved literacy levels and the changing demography, the demand for Newsprint is expected to increase in the coming years thereby providing enough scope for the manufacturers to set up new capacities/ expansions for manufacturing Newsprint in India. However, the Company will further pursue its expansion programme at an appropriate time.

## RAW MATERIAL

The Company uses eco-friendly raw material of recycled fibre viz., Old Newspaper (ONP), other waste papers and pulp for manufacturing Newsprint and high quality waste paper & virgin pulp for Writing & Printing Paper through total chlorine free process. The Company imports as well as procures raw materials domestically. During the year under review, though the availability of raw materials was normal, the prices witnessed wild fluctuations. The Company is complying with the requirements of "Hazardous Material (Management, Handling & Transboundary Movement) Rules, 2007" for import of waste paper.

## CORPORATE SOCIAL RESPONSIBILITY

The Company continues to be conscious about its social responsibilities towards the public living within the vicinity of its Mills. Apart from imparting regular health check facilities for the community in the nearby villages and distributing free medicines to the needy, the Company supplies 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' 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 or loss of the company for that period;
3. The directors had taken proper and sufficient care 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, ICICI Bank Limited withdrew the nomination of Shri Ashok Alladi and Shri Anupam Verma as Directors of the Company w.e.f. 29<sup>th</sup> July 2008. Shri Ashok Alladi was re-appointed as Additional Independent Director w.e.f. 20<sup>th</sup> August 2008 and subsequently was appointed as Director liable to retire by rotation at the AGM held on 19<sup>th</sup> September 2008. However, he resigned on 21<sup>st</sup> January 2009 due to his personal commitments.



# DIRECTORS' REPORT



The Board of Directors appointed Lt. Gen. (Retd.) Ashok Kapur as an Additional Independent Director w.e.f. 21<sup>st</sup> January 2009 who will hold this position till the date of ensuing Annual General Meeting.

Shri Vashu J. Ramsinghani, Shri Amit Ramsinghani and Shri M P Taparia are retiring by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

The Director's place on record their appreciation of the valuable contribution made by Shri Ashok Alladi and Shri Anupam Verma during their tenure as Directors of the Company.

## **CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND 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 30<sup>th</sup> June 2009.

## **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 form 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.

## **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 31<sup>st</sup> March 2009 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 accounting records for the year ended 31<sup>st</sup> March 2009 and the Cost Audit report will be submitted to the Ministry of Corporate Affairs, Government of India in due course.

## **INSPECTION OF BOOKS OF ACCOUNTS AND OTHER RECORDS u/s 209A OF THE COMPANIES ACT, 1956**

The Company had received letter dated 26<sup>th</sup> February 2009 from the Regional Director, Ministry of Corporate Affairs, Mumbai asking for reply / explanation on certain points. The Company has submitted its reply adequately clarifying all the said points and no further communication has been received so far in the matter.

## **INDUSTRIAL RELATIONS**

The industrial relations continued to remain cordial throughout the year under review.

## **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: 30.06.2009

**S. K. BANGUR**  
**CHAIRMAN**

### ANNEXURE – I

**INFORMATION AS PER SECTION 217(1)(e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS), RULES, 1988 FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2009.**

#### A. CONSERVATION OF ENERGY

##### 1. ENERGY CONSERVATION MEASURES TAKEN:

Following measures have been taken during 2008-09 for energy conservation –

- i) Commissioning of DCS (Auto Combustion Control) for AFBC Boilers.
- ii) Speed reduction of UTM pulper agitator from 1500 rpm to 1000 rpm in PM-1
- iii) Reduction in TG frequency from 49.5 to 49.4 Hz.
- iv) Installation of modified ash handling system.
- v) Speed reduction of Pulper Motor from 1000 rpm to 750 rpm in PM-2
- vi) In PM-2 Pocket Ventilation fan of 4<sup>th</sup> group stopped. (Saving of around 16 thousand units per month)
- vii) Removing/replacing/modifying certain lighting fixtures.
- viii) Replacement of ID fan motor with energy efficient motor.
- ix) Installation of Variable Frequency Drive (VFD) in WTP clear Water Pump.

##### 2. WATER CONSERVATION MEASURES TAKEN:

- i) Reuse of drain water at W.T.P from Lamella Clarifier.
- ii) Installation of control valve in ETP line at buffer tank at New DIP.
- iii) Replacement of fresh cooling water in FDP – 2 Hicon pulper gear box with ETP water.
- iv) A water tapping has been provided from New Cooling tower ACW pump to prevent running of pump at Old Cooling Tower.
- v) PCC pump of PM-2 sealing earlier going to drain now shifted to warm water tank.
- vi) Cooling water of smart platform saved by putting this water back in warm water tank.
- vii) Rain water harvesting to bring down water consumption in rainy season.

#### 3. ADDITIONAL INVESTMENTS AND PROPOSAL FOR ENERGY CONSERVATION:

- i) To introduce suitable prize distribution scheme on energy & water conservation, suggestions to be invited from employees.
- ii) To introduce blow guns and transvector type of nozzles for cleaning air hoses to minimize the air consumption.
- iii) Replacement of Cooling Tower fans by Energy Efficient FRP Fans.
- iv) Provision of Suitable Instrument Valve in Wire lubrication shower main header to reduce the Water consumption during wash-up.
- v) To replace the existing 132 KW motor of Primary pressure screen (PM-1) by 110 KW motor.
- vi) Reuse of drain water at W.T.P from Lamella Clarifier (Phase-2).
- vii) To reduce fresh water consumption by utilization of back wash water of ACF & DMF unit of DM plant in Cooling Tower.

#### 4. IMPACT OF MEASURES (1) to (3) ARE:

A considerable amount of HP steam is being saved due to reduction of HP steam blows after installation of DCS (Auto Combustion Control) for AFBC Boilers. The specific steam consumption has gone down. Power consumption shall reduce. Similarly Specific water consumption shall also come down.

#### B. TECHNOLOGY ABSORPTION

Efforts made in Technology Absorption adoption & innovation as per Form B - enclosed.

#### C. FOREIGN EXCHANGE EARNING AND OUTGO

Rs. (In Lacs)

	Current year ended 31.3.2009	Previous year ended 31.3.2008
Foreign Exchange Earning	95.42	68.82
Foreign Exchange Used	8806.23	9442.13

# ANNEXURE TO DIRECTORS' REPORT



## FORM - A

Form of Disclosure of particulars with respect to Conservation of Energy

### A) Power and Fuel Consumption

Sr. No.	For the Year ended 31.03.09	For the Year ended 31.03.08
<b>1. Electricity</b>		
a) Purchased		
Units (Kwh in thousand)	4974	4377
Total Amount (Rs. in lacs)	494.76	443.44
Rate/Unit (Rs)	9.95	10.13
b) Own Generation		
I. Through Diesel Generator		
Units (Kwh in thousand)	35	7
Unit per Litre of Diesel/Oil	3.47	3.67
Rate/Unit (Rs)	8.92	8.89
II. Through Steam Turbine/Generator		
Unit (Kwh in thousand)	126666	138495
Rate/Unit (Rs)	2.73	2.14
<b>2. Coal</b>		
Quantity (MT)	157902	167796
Total Cost (Rs. In lacs)	5249.60	4362.81
Average rate (Rs. Per MT)	3325	2600
<b>3. Furnace Oil</b>		
Quantity (K.Ltr)	Nil	Nil
Total Amount (Rs. In lacs)	Nil	Nil
Average rate (Rs. Per K. Ltr)	Nil	Nil

### B) Consumption of per tonne of Production of Newsprint / Writing and Printing Paper

	For the Year ended 31.03.09	For the Year ended 31.03.08
Electricity	1050	1030
Furnace Oil (ltr)	Nil	Nil
Coal (kgs)	1260	1209

## FORM - B

Form for disclosure of particulars with respect to Technology Absorption.

### RESEARCH AND DEVELOPMENT ( R & D)

- Continuous Lab evaluation of raw materials and chemicals for cost optimization.
- Lab and plant trials carried out to evaluate the performance of using bentonite with respect to improvement in retention and increase of ash in paper.
- Lab study carried out to select alternative polymer for sludge dewatering for cost reduction.
- Lab evaluation of modified biopolymer to manufacture newsprint with increased ash in paper.
- Lab study followed by plant trial initiated for alternative source of bio-deink for cost reduction without affecting quality. Product is established.
- Based on lab results, plant trial of stickies control program initiated for better machine runnability by reducing machine breaks due to stickies.
- Evaluation of indigenous source of biocide for cost reduction without affecting quality and machine runnability. Product selected and plant trial proposed.
- Selected indigenous alternative de-inking chemicals for writing & printing paper in lab scale. Plant trials proposed.
- Lab study carried out to select speciality chemical/ additive for writing & printing paper for cost effective and quality improvement.
- Lab evaluation to observe impact of Hardwood pulp on brightness development in writing & printing paper.

### TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

- Efforts in brief made towards technology absorption, adoption and innovation:**
  - Installation of DCS (Auto Combustion Control) for AFBC Boilers.
  - Modification of Ash handling System.
  - Installation of Variable Frequency Drive (VFD) in WTP clear Water Pump.
  - Installation of Online Shower in PM-1. (Yet to be installed)

### 2. Benefits derived as a result of above efforts:

- Reduction in HP steam consumption due to less HP Steam Blow after installation of DCS.
- Reduction in Compressed Air Consumption, therefore, saving in power consumption of air compressors after modification in Ash Handling System.
- Power saving in WTP clear water pump after installation of VFD.
- It is expected to have better control over sticky breaks and reduced steam demand due to better permeability of fabric after installation of Online Shower.

### 3. Details of Project Development work in the field of Energy which are in Progress:

- Installation of De-watering press in ETP for bringing the dryness level of sludge to 50% or more so that it can be fired in the boiler.

### 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 1<sup>st</sup> April 2008 to 31<sup>st</sup> March 2009)

#### 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 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 Eleven Directors, ten of whom are Non-Executive Directors including Five Independent Directors. Shri S.K. Bangur is the Non-Executive Chairman while Shri Virendra Bangur & Shri Vashu J Ramsinghani are Non-Executive Vice Chairmen of the Company. Shri K.L. Chandak and Shri Amit Ramsinghani are other Non-Executive Directors while Shri V. D. Bajaj is the Executive Director of the Company. Shri M.P.Taparia, Shri Sudarshan Somani, Shri Haigreve Khaitan, Shri S. Doreswamy, and Lt. General (Retd.) Ashok Kapur are other Non-Executive-Independent Directors. The composition of Board of Directors is well within norms of Corporate Governance as applicable as on 31<sup>st</sup> March 2009. The Company is in the process of appointing one more independent director in the vacancy caused by resignation of Shri Ashok Alladi.

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 1<sup>st</sup> April 2008 to 31<sup>st</sup> March 2009.

During the year ended 31<sup>st</sup> March 2009 the Company had five Board meetings. These were on 9<sup>th</sup> April 2008, 27<sup>th</sup> June 2008, 17<sup>th</sup> July 2008, 21<sup>st</sup> October 2008 & 21<sup>st</sup> January 2009.

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	12	-	-
2.	Shri Virendra Bangur #	Vice-Chairman	3	No	8	-	1
3.	Shri Vashu J. Ramsinghani ##	Vice-Chairman	4	No	-	-	-
4.	Shri K.L. Chandak	Director	5	No	2	-	-
5.	Shri Amit Ramsinghani ##	Director	3	No	-	-	-
6.	Shri Haigreve Khaitan** (upto 27.06.2008)	Director	1	No	17**	-	8
	(appointed w.e.f. 27.06.2008)	Independent Director	1	No	17**	-	8

## ANNEXURE TO DIRECTORS' 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	5***	Yes	-	-	-
8.	Shri M. P. Taparia	Non-Executive Independent Director	0	No	6	-	-
9.	Shri Sudarshan Somani	Non-Executive Independent Director	5	No	-	-	-
10.	Shri Ashok Alladi (upto 29.07.2008)	Non-Executive Independent & ICICI Bank Ltd. Nominee Director	3	Yes	4	2	2
	(from 20.08.2008 upto 21.01.09)	Independent Director	1	Yes	4	2	2
11.	Shri Anupam Verma (upto 29.07.2008)	Non-Executive Independent & ICICI Bank Ltd. Nominee Director	3	N.A.	1	-	1
12.	Shri S. Doreswamy (appointed w.e.f. 20.08.2008)	Non-Executive Independent Director	2	N.A.	6	-	-
13.	Lt. Gen. (Retd.) Ashok Kapur (appointed w.e.f. 21-01-2009)	Non-Executive Independent Director	1	N.A.	NIL	-	-

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

\*\* Includes alternate directorship.

\*\*\* Present through video conference in the meeting held on 17<sup>th</sup> July 2008.

# 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, Audit Committee meetings and Remuneration Committee meeting. 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 31<sup>st</sup> March 2009.

#### 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.

#### Composition of Audit Committee as on 31<sup>st</sup> March 2009

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 Ashok Alladi # Chairman (w.e.f. 20.08.2008 upto 21.01.2009)	Non-Executive Independent Director (ICICI Bank Ltd. Nominee) Non-Executive Independent Director
2.	Shri S. Doreswamy* (appointed w.e.f. 20.08.2008) Chairman w.e.f. 21.01.2009	Non-Executive Independent Director
3.	Shri Sudarshan Somani	Non-Executive Independent Director
4.	Lt. General (Retd.) Ashok Kapur** (appointed w.e.f. 21.01.2009)	Non-Executive Independent Director
5.	Shri V. D. Bajaj	Executive Director

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

(i) 9<sup>th</sup> April 2008 (ii) 27<sup>th</sup> June 2008 (iii) 17<sup>th</sup> July 2008 (iv) 21<sup>st</sup> October 2008 and (v) 21<sup>st</sup> January 2009.

Attendance of Members at Audit Committee Meetings are as under:

Name of the Director	No. of Meetings attended
Shri Ashok Alladi	4
Shri S. Doreswamy	2
Shri Sudarshan Somani	5
Lt. General (Retd.) Ashok Kapur	1
Shri V. D. Bajaj	5

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 majority have accounting & financial expertise. The Chairman of the Audit Committee was present at the previous Annual General Meeting to answer queries of shareholders.

# Shri Ashok Alladi, was appointed as Non-Executive Independent Director of the Company w.e.f. 20<sup>th</sup> August, 2008. He resigned as Director and ceased to be member & Chairman of the Audit Committee w.e.f. 21<sup>st</sup> January 2009. \*Shri S. Doreswamy, was appointed as Additional Director and a member of the Audit Committee w.e.f. 20<sup>th</sup> August, 2008 and as the Chairman of the Audit Committee w.e.f. 21<sup>st</sup> January 2009. \*\*Lt. General (Retd.) Ashok Kapur was appointed as Additional Director and a member of the Audit Committee w.e.f. 21<sup>st</sup> January 2009.

#### 5) Remuneration Committee

The Remuneration Committee was constituted on 9<sup>th</sup> January 2004 to decide the remuneration of Executive Director. The Remuneration Committee was last reconstituted on 28<sup>th</sup> January 2008 and 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 Anupam Verma	Non-Executive Independent Director (upto 29.07.2008) (Nominee - ICICI Bank Ltd.)
Shri K. L. Chandak	Non-Executive Director

The Committee met once on 9<sup>th</sup> April 2008 where all Committee members were present except Shri M. P. Taparia.

#### 6) Details of remuneration for the year ended 31<sup>st</sup> March 2009

##### (i) To Executive Director

Name	Salary (Rs.)	Commission (Rs.)	Perquisites (Rs.)	Retirement Benefits (Rs.)
Shri V.D. Bajaj Executive Director	30,66,628	NIL	11,09,443	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. 9<sup>th</sup> January 2007 for a period of four years. The terms of his remuneration for the period from 1<sup>st</sup> April 2007 to 31<sup>st</sup> March 2010 were approved by the shareholders at the AGM held on 19<sup>th</sup> 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

## ANNEXURE TO DIRECTORS' REPORT



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 part of their contract with the Company.

### (ii) To Non-Executive Directors

During the year ended 31<sup>st</sup> March 2009, 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 expect the following :-

Sr. No.	Director	Shares held as on 31.03.2009
1	Shri K. L. Chandak	6,250
2	Shri Amit Ramsinghani	27,92,997
3	Shri Vashu J. Ramsinghani	14
4	Shri Sudarshan Somani	7,500

### 7) Share Transfer / Investors Grievance Committee

The Share Transfer & Investor's Grievance Committee comprises of Shri.K.L.Chandak (Chairman), Shri.V.D.Bajaj & 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 shareholders and investors in relation to transfer of shares, non-receipt of annual reports, etc. 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
15 <sup>th</sup> AGM - 2006	September 28, 2006	Thursday	3.00 P.M.
16 <sup>th</sup> AGM - 2007	September 27, 2007	Thursday	2.00 P.M.
17 <sup>th</sup> AGM - 2008	September 19, 2008	Friday	2.30 P.M.

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

- 15<sup>th</sup> AGM - To maintain Register of Members, the index of Members, the Register and Index of Debentureholders and copies of all annual returns prepared under Section 159 and 160 and other Registers and documents etc. also at the office of Company's Registrar and Transfer Agent i.e. M/s Intime Spectrum Registry Ltd.

16<sup>th</sup> AGM - None

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

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 19 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:

- \* The Company is maintaining office for the Non-Executive Chairman.
- \* Remuneration Committee has been constituted to approve remuneration of Executive Director.
- \* The Company is publishing unqualified financial results.
- \* 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](http://www.ramanewsprint.com) is regularly updated with financial results and any Official news releases are given directly to the press.

### 11) General Shareholder Information

- 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.

## ANNEXURE TO DIRECTORS' REPORT

## ANNUAL REPORT 2007 - 2008

### (iii) Financial Calendar (Tentative)

Adoption of Quarterly Financial Results:-

Quarter ending June 2009 : Last week of July 2009  
 Quarter ending Sept. 2009 : Last week of October 2009  
 Quarter ending Dec. 2009 : Last week of Jan. 2009  
 Quarter ending March 2009 : Last week of June 2009  
 Annual General Meeting - : September 2010  
 2009-2010

### 12) Dates of Book Closure

Please refer to Notice of the Annual General Meeting being sent alongwith 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 31<sup>st</sup> March 2009

Month	B S E		Sensex	
	High (Rs.)	Low (Rs.)	High	Low
April, 2008	47.20	29.50	17481	15298
May, 2008	42.70	35.90	17736	16196
June, 2008	38.40	27.55	16633	13406
July, 2008	31.20	24.10	15130	12514
August, 2008	31.40	27.50	15580	14002
September, 2008	29.00	21.10	15107	12154
October, 2008	23.00	11.40	13204	7697
November, 2008	18.00	12.04	10945	8316
December, 2008	19.40	11.22	10189	8467
January, 2009	16.39	12.20	10470	8632
February, 2009	15.90	11.50	9725	8619
March, 2009	14.00	10.95	10127	8047

### 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 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 297 complaints from Shareholders / Debentureholders and same were attended.

### 17) Distribution of Shareholding as on 31<sup>st</sup> March 2009

No. of Shares	No. of Shareholders	No. of Shares
Upto 500	105172	7687453
501 – 1000	2115	1672228
1001 – 2000	1232	1781357
2001 – 3000	468	1183207
3001 – 4000	174	620151
4001 – 5000	181	849672
5001 – 10000	240	1739875
10001 and above	241	42624089
<b>Total</b>	<b>109823</b>	<b>58158032</b>



## ANNEXURE TO DIRECTORS' REPORT



### 18) Pattern of Shareholding as on 31<sup>st</sup> March 2009

1. Category	No. of shares held	Percentage of shareholding
Promoters	32251671	55.46
Mutual Funds & UTI	59975	0.10
Banks, Financial Institutions	21375	0.04
Foreign Institutional Investors	175228	0.30
Foreign Mutual Funds	12300	0.02
Others		
a) Private Corporate Bodies	5336129	9.18
b) Indian Public	19691460	33.86
c) NRIs / OCBs	404162	0.69
d) Others	205732	0.35
Grand Total	<b>58158032</b>	<b>100.00</b>

### 19) Dematerialization of Shares

As on 31<sup>st</sup> March 2009, 5,50,84,130 shares of the Company representing 94.71% of total paid-up share capital were held in dematerialized form and the balance 30,73,902 shares representing 5.29% 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:-

#### **RAMA NEWSPRINT AND PAPERS LTD.**

SHREENIWAS HOUSE, 3<sup>RD</sup> 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

### 22) 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 : 30th June, 2009

**ANNEXURE - III****Management Discussion & Analysis****State of Economy**

The sub-prime crisis with its origin from United State of America had its impact on the economy of the entire world resulting in the down fall in GDP growth, lower industrial production, negative inflation, deceleration in service activities, depleted profit margins and diminished business activities. Fortunately, the world leaders led by Mr. Gordon Brown, Prime Minister of U.K and Mr. George Bush, the then President of U.S.A started their sincere effort to arrest / minimize the impact of recession. The newly elected President of U.S, Mr Barack Obama also tackled the issue to defuse the crisis right from day one of his assuming the charge. The Government and Central Bank in their respective countries did whatever they could do to improve the liquidity in the system in order to save failing institutions / companies from bankruptcy and tried their best to keep up the pace of industrial production and other economic services by providing both fiscal and financial relief to almost all sectors of the economy.

Continuous monitoring of the situation by the world leaders including leaders from the emerging economies like Brazil, Russia, India & China has already started making its impact. The purposefulness of the Governments, Central Banks, Financial Institutions, Industrial Sector and Service Sector to meet the challenges coming out of the recession has started showing its results. Well known leaders and economists have expressed different opinions about the current state of world economy. While some say they still see only brown shoots, the others have started opining that green shoots are visible and perhaps worst is behind us.

Like all emerging economies India too has been impacted by the crisis and perhaps much more than what was expected earlier. As per the recent report from the World Bank, GDP growth in India, which was around 9% for the fiscal year 2007, had reduced to 6.1% in the fiscal year 2008 and is estimated to be around 5.1% in the fiscal year 2009. The moderation in the GDP growth as a result of lower industrial production, reduced service activity, drastic fall in exports and reduced corporate earnings is already reflected in Government Statistics. Fortunately, factors like robust rural development, improvement in Financial markets and financial results of several Indian Companies indicate that the worst impact of the crisis is nearing to end. The fiscal stimulus package of the Government of India and regulatory actions of the Reserve Bank of India have already arrested the recessionary trend in growth as may be seen from reaction of financial market functioning. Prime Minister Manmohan Singh has also expressed confidence that the economy will grow at 8-9% rate over the next 2-3 years and World Bank report endorses the same.

**Paper Industry Outlook**

As per recent report from CRISIL, paper industry demand is expected to grow at a CAGR of 6.3% over the next 2 years. The Government of India has been continuously encouraging the growth of the literacy across the country and has allocated sub-

stantial fund for "Sarva Shiksha Abhiyaan". The off take from paper mills confirms that the demand for paper for education sector has seen constant growth. The demand for packaging paper has almost linear relationship with GDP growth rate and has thus fluctuated alongwith fluctuation in the GDP growth rates.

**Newsprint Industry**

The demand for newsprint paper in India started declining in the 2nd half of fiscal year 2008-09. Due to steep reduction in ad spending by the corporates, the newsprint publishers had to resort to various cost cutting measures like reduction in size of the newspaper and pagination and shutting down of the unviable editions.

The installation of new government at the center with the decisive mandate from the public to govern the country has revived business confidence. The plan drawn by the Central Government for development of Indian economy with special emphasis on infrastructure growth, agriculture growth, rural development, reforms in education sector and health & social welfare measures have brought enthusiasm among the business community in India & abroad which is reflected in the recent increased flow of FDI from abroad. Many of the Indian Corporates are also renewing their plans for further expansion of their business and announcing initial public offers which were lying subdued or on hold for almost a year. As per recent reports, the ad industry has shown its first flush of recovery as key advertisers in sectors such as automobiles, real estate, financial services and consumer durables begin to report higher sales. The advertisement industry expects double-digit growth as key advertisers estimate higher sale.

This has revived the demand for newsprint with increase in pagination and supplements. Recently there have been new launches of Newspaper editions. Circulation numbers have increased in respect of leading Indian dailies. All these will definitely result in the growth of newsprint paper industry and hopefully will create favourable balance for newsprint manufacturers.

**Company's performance & Outlook**

During the year the Company registered total sales volume of 1,09,111 MT (including 2,584 MT of Writing & Printing paper) as against 1,36,505 MT (including 4,681 MT of Writing & Printing paper) in 2007-08. With a view to reduce the excessive inventory of finished goods, the Company had to resort to supply management and also undertook annual maintenance shut of the plant to carry out non recurring maintenance jobs which were essential for maintaining the health of the plant and machinery. As a result, the saleable production during the year under review was 1,24,508 MT against 1,38,771 MT during 2007-08. The capacity utilization achieved during the year was 94%. However, the Company continued its thrust to streamline and optimize operating and productivity parameters at the Mills.

However, with the double-digit growth in the ad industry and recent substantial increase in the consumption of Newsprint as reported above, it is hoped that the demand for newsprint paper in India will see an upward trend and paper manufacturers can hope to see better margins particularly in the 2<sup>nd</sup> half of the fiscal year 2009-10.

## 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) Customer' 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.

The swing facility available on the paper machine has come handy for the company and the company started manufacturing writing & printing grades of paper w.e.f. 01.04.2009 immediately as market situation demanded.

- 5) Over 400 acres of land available with the Company sufficient enough for any future expansion and growth.
- 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 print paper have been 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 paper sector due to recent surge in advertisement by the corporates. Being an ecofriendly 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 50% of the raw material, which is prone to the foreign exchange fluctuations.

However, the company is constantly trying through Research & Development for reducing its cost of raw material without compromising on quality of finished products.

- 2) The susceptibility of the company to cyclicity in International newsprint paper market is reflected in both fiscal and

financial problems of the company during the year 2008-09. However, as discussed above, the worst seems to be over as the ad industry expects a double-digit growth and therefore the demand for newsprint paper should pick-up.

### Internal Control Systems & its Adequacy

The Company has in place a proper and adequate system of Internal Controls through which management ensures proper and effective controls and checks over all operations and transactions of the Company. The Internal Control System ensures that financial and other records are reliable and are in conformity with applicable laws & regulations of the land. The system has automatic checks and reporting process whereby the financial information, data and transactions are properly verified, accounted, records are maintained and human errors are minimized / eliminated. To ensure the effectiveness of Company's Internal Control System, the Company has appointed external firm of Chartered Accountants, as Internal Auditors who on regular basis carries Internal Audit. The management does a periodic review meeting with them and their observations and suggestions are taken into consideration to enhance the quality of Internal Control System. Apart from this the Company has Audit Committee of the Board, which reviews and monitors the Internal control measures.

### Human Resources

The management believes that people working in and working with the organization are of the key resource for the success of the organization. The sincere effort put in by the employees has translated into quality improvements, productivity improvements, cost reduction, etc. Paper industry in India faces dearth of talented and experienced people. Therefore, management firmly believes in developing and nurturing its human resources and improving their talents for taking up positions of responsibility in the company. The company recruits fresh trainees in different categories every year and sincerely trained them to occupy suitable position in various departments. Training programmes are organised both in-house and also by deputing the employees to other forums and participating in technical seminar for updating the knowledge and skill levels of the employees. Proper care is taken for safety, health and welfare of the employees.

### 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 of 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 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 31<sup>st</sup> MARCH 2009.**

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. 41,76,071 (c) Masters in Commerce-Gold Medalist (d) 59 years (e) 39 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.

# BALANCE SHEET

ANNUAL REPORT  
2008 - 2009

## BALANCE SHEET AS AT 31ST MARCH, 2009

	SCHEDULE	AS AT 31.3.2009 (Rs.in lacs)	AS AT 31.3.2008 (Rs.in lacs)
<b>SOURCES OF FUNDS:</b>			
Shareholders' Funds:			
Share Capital	1	5,815.80	5,815.80
Reserves & Surplus	2	22,719.34	24,718.29
		<u>28,535.14</u>	<u>30,534.09</u>
Loan Funds:			
Secured Loans	3	19,842.94	21,234.64
Unsecured Loans	4	2,429.79	2,429.79
		<u>22,272.73</u>	<u>23,664.43</u>
<b>TOTAL</b>		<u>50,807.87</u>	<u>54,198.52</u>
<b>APPLICATION OF FUNDS:</b>			
Fixed Assets:			
Gross Block	5	70,334.42	70,081.52
Less: Depreciation		33,444.83	30,018.38
Net Block		<u>36,889.59</u>	<u>40,063.14</u>
Capital Work in Progress	6	874.56	886.73
		<u>37,764.15</u>	<u>40,949.87</u>
Investments	7	1.63	1.63
Deferred Tax Asset		5,019.02	2,874.71
Current Assets, Loans & Advances :			
Inventories	8	8,820.53	8,165.66
Sundry Debtors	9	3,918.38	4,779.64
Cash & Bank Balances	10	47.09	37.27
Loans & Advances	11	3,234.13	3,441.91
		<u>16,020.13</u>	<u>16,424.48</u>
Less : Current Liabilities & Provisions	12		
Current Liabilities		8,497.65	5,867.45
Provisions		227.55	184.72
		<u>8,725.20</u>	<u>6,052.17</u>
Net Current Assets		<u>7,294.93</u>	<u>10,372.31</u>
Profit & Loss Account		728.14	-
<b>TOTAL</b>		<u>50,807.87</u>	<u>54,198.52</u>

### Notes to Accounts

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

**Rakesh Rathi**  
Partner  
Membership No. 45228  
Place : Mumbai  
Dated : 30th June, 2009

Girish Sharma  
VP (F&A) & Company Secretary

Shree Kumar Bangur	Chairman
Virendra Bangur	Vice Chairman
Vashu. J. Ramsinghani	Vice Chairman
Amit Ramsinghani	Director
Lt. Gen. (Retd.) Ashok Kapur	Independent Director
M. P. Taparia	Independent Director
S. Doreswamy	Independent Director
Sudarshan Somani	Independent Director
V. D. Bajaj	Executive Director

# PROFIT AND LOSS ACCOUNT



## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2009

SCHEDULE	For the Year	For the Year
	Ended 31.3.2009 (Rs.in lacs)	Ended 31.3.2008 (Rs.in lacs)
<b>INCOME :</b>		
Sales :		
Domestic	34,146.39	35,580.81
Exports	82.06	67.56
	<u>34,228.45</u>	<u>35,648.37</u>
Less: Excise Duty	6.42	71.64
	<u>34,222.03</u>	35,576.73
Other Income	13	452.88
	<u>34,674.91</u>	<u>35,942.23</u>
<b>EXPENDITURE :</b>		
Material Cost	14	22,523.97
Manufacturing and Other Expenses	15	9,949.94
	<u>32,473.91</u>	<u>28,924.61</u>
<b>Profit before Interest &amp; Depreciation</b>	<u>2,201.00</u>	7,017.62
Interest and Lease rent	16	3,620.12
<b>Profit / (Loss) before Depreciation &amp; Tax</b>	<u>(1,419.12)</u>	3,615.16
Depreciation	<u>3,435.28</u>	3,433.40
<b>Profit / (Loss) before Tax</b>	<u>(4,854.40)</u>	181.76
Fringe Benefit Tax	17.00	20.05
Deferred Tax / (Credit)	<u>(2,144.31)</u>	55.11
<b>Profit / (Loss) after Tax</b>	<u>(2,727.09)</u>	106.59
Brought Forward Surplus	<u>1,998.95</u>	1,892.36
Surplus / (Deficit) Carried Over to Balance Sheet	<u>(728.14)</u>	1,998.95
Basic / Diluted Earnings per share (Rs.)	<u>(4.69)</u>	<u>0.18</u>
<b>Notes to Accounts</b>	17	

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

**Rakesh Rathi**  
Partner  
Membership No. **45228**  
Place : Mumbai  
Dated : 30th June, 2009

Girish Sharma  
VP (F&A) & Company Secretary

Shree Kumar Bangur	Chairman
Virendra Bangur	Vice Chairman
Vashu. J. Ramsinghani	Vice Chairman
Amit Ramsinghani	Director
Lt. Gen. (Retd.) Ashok Kapur	Independent Director
M. P. Taparia	Independent Director
S. Doreswamy	Independent Director
Sudarshan Somani	Independent Director
V. D. Bajaj	Executive Director

# SCHEDULES

**ANNUAL REPORT  
2008 - 2009**

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

	<b>AS AT 31.3.2009 (Rs.in lacs)</b>	<b>AS AT 31.3.2008 (Rs.in lacs)</b>
<b>SCHEDULE 1:</b>		
<b>SHARE CAPITAL:</b>		
<b>Authorised:</b>		
23,30,00,000 Equity Shares of Rs. 10/- each	<u>23,300.00</u>	<u>23,300.00</u>
<b>Issued &amp; Subscribed:</b>		
5,81,58,032 Equity Shares of Rs. 10/- each fully paid-up	<u>5,815.80</u>	<u>5,815.80</u>
<b>SCHEDULE 2:</b>		
<b>RESERVES &amp; SURPLUS:</b>		
Capital Reserve	<b>10,953.86</b>	10,953.86
Surplus in Profit & Loss Account	-	1,998.95
Contingency Reserve	<u>11,765.48</u>	<u>11,765.48</u>
	<u>22,719.34</u>	<u>24,718.29</u>
<b>SCHEDULE 3 :</b>		
<b>SECURED LOANS</b>		
Rupee Term Loans from :		
Financial Institutions / Banks		
ICICI Bank Ltd.	-	8,249.40
Bank of India	<b>6,416.04</b>	-
AXIS Bank Ltd.	<b>3,000.00</b>	5,000.00
Industrial Investment Bank of India Ltd.	<b>571.36</b>	571.36
Life Insurance Corporation of India	<b>802.91</b>	1,032.31
State Bank of Mysore - Short Term Loan	<u>1,500.00</u>	-
	<u>12,290.31</u>	14,853.07
Working Capital Demand Loan and Cash Credit from Banks	<u>7,552.63</u>	<u>6,381.57</u>
	<u>19,842.94</u>	<u>21,234.64</u>

**Notes :**

1. The outstanding term loan of ICICI Bank Ltd. was taken over by Bank of India during the year.
2. The 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, and Corporate guarantee by The West Coast Paper Mills Ltd.
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.
4. Short Term Loan from State Bank of Mysore is secured by subservient charge on the Current Assets of the Company.

# SCHEDULES



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

**AS AT**  
**31.3.2008**  
**(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 1.4.2008	Addition during the Year	Deduction during the Year	As at 31.03.2009	As at 1.4.2008	Depreciation for the Year	Deduction during the Year	Total depreciation as on 31.03.2009	As at 31.03.2009	As at 31.03.2008
Freehold Land	201.86	-	-	201.86	-	-	-	-	201.86	201.86
Buildings	9,915.81	71.26	-	9,987.07	2,638.31	261.36	-	2,899.67	7,087.40	7,277.49
Plant & Machinery	59,289.41	183.70	-	59,473.11	26,936.53	3,133.75	-	30,070.28	29,402.83	32,352.88
Furniture & Fittings	358.00	3.59	0.03	361.56	246.46	19.15	0.03	265.58	95.98	111.53
Office Equipment	254.76	3.70	1.02	257.44	167.80	16.76	0.94	183.62	73.82	86.96
Vehicles	61.69	-	8.31	53.38	29.28	4.26	7.86	25.68	27.70	32.42
<b>Total</b>	<b>70,081.53</b>	<b>262.25</b>	<b>9.36</b>	<b>70,334.42</b>	<b>30,018.38</b>	<b>3,435.28</b>	<b>8.83</b>	<b>33,444.83</b>	<b>36,889.59</b>	<b>40,063.14</b>
Previous Year	67,621.10	2,460.69	0.27	70,081.52	26,585.11	3,433.40	0.13	30,018.38	40,063.14	41,036.00

## SCHEDULE 6 :

### CAPITAL WORK IN PROGRESS

Plant & Machinery

**821.38**

771.39

Building

**53.18**

115.34

**874.56**

886.73

## SCHEDULE 7 :

### INVESTMENTS

LONG TERM:TRADE INVESTMENTS

A) QUOTED:EQUITY SHARES

50	Equity Shares of Rs.10/-each of the Andhra Pradesh Paper Mills Ltd.	<b>0.08</b>	0.08
1000	Equity Shares of Rs.1/- each of Orient Paper Mills Ltd.	<b>0.24</b>	0.24
250	Equity Shares of Rs.2/- each of West Coast Paper Mills Ltd.	<b>0.02</b>	0.02
165	Equity Shares of Rs.10/- each of Shree Vindhya Paper Mills Ltd.	<b>0.14</b>	0.14
50	Equity Shares of Rs.10/- each of Nath Pulp & Paper Mills Ltd.	<b>0.04</b>	0.04
100	Equity Shares of Rs.10/- each of Pudumjee Pulp & Paper Mills Ltd.	<b>0.15</b>	0.15
300	Equity Shares of Rs.2/- each of Ballarpur Industries Ltd.	<b>0.28</b>	0.28
100	Equity Shares of Rs.10/- each of Sirpur Paper Mills Ltd.	<b>0.07</b>	0.07
50	Equity Shares of Rs.10/- each of Rohit Pulp & Paper Mills Ltd.	<b>0.06</b>	0.06
90	Equity Shares of Rs.10/-each of J.K.Lakshmi cement ltd.	<b>0.31</b>	0.31
10	Equity Shares of Rs.10/-each of Ashim Investment Co.Ltd.	<b>0.03</b>	0.03
100	Equity Shares of Rs.10/-each of Mysore paper mills Ltd.	<b>0.01</b>	0.01
600	Equity Shares of Rs.10/-each of Tamilnadu Newsprint and Papers Ltd.	<b>0.18</b>	0.18
	<b>Total A</b>	<b>1.61</b>	1.61

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 31.3.2009 Rs.0.96 lacs  
(as on 31.3.2009 Rs.1.49 lacs)



# SCHEDULES

## ANNUAL REPORT 2008 - 2009

	AS AT 31.3.2009 (Rs.in lacs)	AS AT 31.3.2008 (Rs.in lacs)
<b>SCHEDULE 8 :</b>		
<b>INVENTORIES</b>		
(As taken, valued and certified by the Management)		
Raw materials	1,338.46	3,481.51
Chemicals	243.62	446.57
Stores, Spares and Packing Materials	2,244.84	2,738.77
Stock-in-process	294.22	199.25
Finished Goods	4,699.39	1,299.56
	<u>8,820.53</u>	<u>8,165.66</u>
<b>SCHEDULE 9:</b>		
<b>SUNDRY DEBTORS</b>		
(Unsecured, considered good, unless otherwise stated)		
Outstanding for more than Six Months :		
Considered good	96.24	169.85
Considered doubtful	-	28.35
	<u>96.24</u>	<u>198.20</u>
Others :		
Considered good	3,822.14	4,609.79
	<u>3,918.38</u>	<u>4,807.99</u>
Less: Provision for Doubtful Debts	-	28.35
	<u>3,918.38</u>	<u>4,779.64</u>
<b>SCHEDULE 10 :</b>		
<b>CASH AND BANK BALANCES</b>		
Cash on hand	4.45	7.16
Balances with Scheduled Banks:		
Current Accounts	7.52	2.74
Fixed Deposit Accounts	13.74	5.88
(Under lien of Banks)		
Other Accounts	21.38	21.49
	<u>47.09</u>	<u>37.27</u>
<b>SCHEDULE 11:</b>		
<b>LOANS AND ADVANCES</b>		
(Unsecured, considered good, unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		
Considered good	139.12	119.93
Considered doubtful	-	4.63
	<u>139.12</u>	<u>124.56</u>
Less: Provision for doubtful advances	-	4.63
	<u>139.12</u>	<u>119.93</u>
Security & Other Deposits,etc.	503.71	499.74
Balances with Excise Authorities	2,555.73	2,792.28
Interest Receivable	9.73	9.69
Income-tax deducted at source	25.84	20.27
	<u>3,234.13</u>	<u>3,441.91</u>

# SCHEDULES



## SCHEDULE 12 : CURRENT LIABILITIES & PROVISIONS

	<b>AS AT 31.3.2009 (Rs.in lacs)</b>	<b>AS AT 31.3.2008 (Rs.in lacs)</b>
Current Liabilities :		
Acceptances	4,457.02	3,080.69
Sundry Creditors :		
Due to Small Scale and Medium Industrial Units	-	-
Others	2,719.34	1,204.69
Other Liabilities	1,264.04	1,468.82
Investor Education and protection fund shall be credited		
Unclaimed Debenture Interest	21.39	21.36
Interest and lease rent accrued but not due	35.86	91.89
	<b>8,497.65</b>	<b>5,867.45</b>
Provisions :		
Provision for Retirement Benefits	227.55	184.72
	<b>8,725.20</b>	<b>6,052.17</b>

## SCHEDULE 13 :

	<b>Year Ended 31.3.2009 (Rs.in lacs)</b>	<b>Year Ended 31.3.2008 (Rs.in lacs)</b>	<b>Year Ended 31.3.2008 (Rs.in lacs)</b>
<b>OTHER INCOME</b>			
Interest from Banks and others	8.92		20.72
Dividends	0.04		0.06
Excess Provision Written Back	-		3.91
Export Incentives	4.70		3.11
Insurance claims received	30.76		18.94
Sale of Scrap	328.91		246.01
Profit on Sale of Assets (Net)	0.22		-
Miscellaneous Income	79.33		72.75
	<b>452.88</b>		<b>365.50</b>

## SCHEDULE 14 :

### MATERIAL COST

Raw Materials :			
Opening Stock	3,482.51		607.94
Add: Purchases	18,751.07		19,400.43
	<b>22,232.58</b>		<b>20,008.37</b>
Less: Closing Stock	<b>1,338.46</b>		<b>3,481.51</b>
	<b>20,894.12</b>		<b>16,526.86</b>
Consumption of Chemicals	<b>3,136.89</b>		<b>2,753.79</b>
Consumption of Stores and Spares & Packing Materials	<b>1,987.75</b>		<b>1,570.08</b>
	<b>26,018.76</b>		<b>20,850.73</b>
Increase (-)/Decrease (+) in Stock of Finished Goods & Stock in Process :			
Opening Stock:			
Finished Goods	1,299.56		483.23
Stock-in-process	199.25		27.31
	<b>1,498.81</b>		<b>510.54</b>
Closing Stock :			
Finished Goods	4,699.39		1,299.56
Stock-in-process	294.21		199.25
	<b>4,993.60</b>		<b>1,498.81</b>
	<b>(3,494.79)</b>		<b>(988.27)</b>
	<b>22,523.97</b>		<b>19,862.46</b>

# SCHEDULES

## ANNUAL REPORT 2008 - 2009

	<b>Year Ended</b> <b>31.3.2009</b> <b>(Rs.in lacs)</b>		<b>Year Ended</b> <b>31.3.2008</b> <b>(Rs.in lacs)</b>
<b>SCHEDULE 15 :</b>			
<b>MANUFACTURING AND OTHER EXPENSES :</b>			
Power and Fuel	<b>5,755.95</b>		4,823.99
Water Charges	<b>430.78</b>		423.86
Salaries,Wages and Ex-gratia	<b>1,068.15</b>	1,063.83	
Co's Cont. to Provident and other fund	<b>81.13</b>	84.27	
Gratuity and Leave Encashment	<b>78.99</b>	45.90	
Staff Welfare Expenses	<b>43.12</b>	36.56	
	<b>1,271.39</b>		1,230.56
Repairs and Maintenance :			
Buildings	<b>0.19</b>	28.24	
Plant & Machinery	<b>263.80</b>	222.03	
Others	<b>77.03</b>	46.15	
	<b>341.02</b>		296.42
Insurance	<b>67.31</b>		69.46
Raw Material Handling & Operation Charges	<b>544.81</b>		552.64
Rent,Rates and Taxes	<b>156.80</b>		204.97
Excise Duty & Cess	<b>61.25</b>		167.06
Directors' Sitting Fees	<b>1.92</b>		1.64
Legal and Professional Fees	<b>79.49</b>		41.20
Payment to Auditors:			
Audit Fees	<b>3.75</b>	3.00	
Taxation matters	<b>1.20</b>	1.35	
Others	<b>2.63</b>	4.33	
	<b>7.58</b>		8.68
Premium on Redemption of Loan / Debentures	<b>7.74</b>		15.49
Miscellaneous Expenses:			
Commission on Sales	<b>316.03</b>	474.81	
Discounts	<b>40.74</b>	22.01	
Loss on Sale of Fixed Assets(net)	-	0.03	
Sundry Expenses	<b>867.13</b>	729.33	
	<b>1,223.90</b>		1,226.18
	<b>9,949.94</b>		<b>9,062.15</b>
<b>SCHEDULE 16 :</b>			
<b>INTEREST AND LEASE RENT</b>			
Interest :			
On Term Loans	<b>1,463.81</b>		1,957.52
On Working Capital	<b>1,026.48</b>		442.15
Others	<b>294.88</b>		169.14
	<b>2,785.17</b>		2,568.81
Lease Rent	<b>834.95</b>		833.66
	<b>3,620.12</b>		<b>3,402.47</b>

# SCHEDULES



## SCHEDULE 17

### NOTES TO ACCOUNTS

#### 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. Significant accounting policy.

##### a. Revenue recognition

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) and fringe benefit tax.

##### (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:

# SCHEDULES

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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.

(iii) Fringe benefit tax:

Provision for Fringe Benefit Tax ('FBT') is made on the basis of applicable FBT on the taxable value of chargeable expenditure of the Company as prescribed under the Income Tax Act, 1961.

g. Inventories:

Stocks 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 after the commencement of commercial production.

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

a. Provident fund

b. 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.

The Company has recognized the following amounts in the Profit and Loss Account for the year:

	Year ended 31 <sup>st</sup> March, 2009 (Rs. In Lacs)
(i) Contribution to Provident Fund	80.54
(ii) Contribution to Employee's State Insurance Scheme	00.60

Defined Benefit Plans

Gratuity

Leave Encashment

# SCHEDULES



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

	Year ended 31 <sup>st</sup> March 2009	Year ended 31 <sup>st</sup> March 2008	
			Gratuity
(i) Changes in present Value of Obligation			
(a) Present value of Obligation as at 1 <sup>st</sup> April 2008	127.13	116.47	
(b) Interest Cost	10.51	9.52	
(c) Past Service Cost	0.00	0.00	
(d) Current Service Cost	13.41	15.82	
(e) Contributions by Plan participants	0.00	0.00	
(f) Curtailment Cost/(Credit)	0.00	0.00	
(g) Settlement Cost/(Credit)	0.00	0.00	
(h) Benefits Paid	18.30	1.83	
(i) Actuarial(Gains)/Loss	21.17	(12.85)	
(j) Present value of Obligation as at 31 <sup>st</sup> March, 2009	153.91	127.23	
	Year ended 31 <sup>st</sup> March 2009	Year ended 31 <sup>st</sup> March 2008	
			Leave Encashment
(ii) Amounts recognized in the Balance Sheet			
(a) Present Value of Obligation as at 31 <sup>st</sup> March 2009	153.91	73.64	
(b) Fair value of Plan Assets as at 31 <sup>st</sup> March 2009	-	-	
(c) (Asset)/ Liability recognized in the Balance Sheet	153.91	73.64	
(iii) Expenses recognized in the Profit and Loss Account			
(a) Current Service Cost	13.41	15.82	
(b) Past Service Cost	00.00	00.00	
(c) Interest Cost	10.51	9.52	
(d) Curtailment Cost/(Credit)	00.00	00.00	
(e) Settlement Cost/(Credit)	00.00	00.00	
(f) Net Actuarial(Gain)/Loss	21.17	(12.85)	
(g) Employer's Contribution	00.00	1.83	
(h) Total Expenses recognized in the P & L Account	45.09	12.49	
	Year ended 31 <sup>st</sup> March 2009	Year ended 31 <sup>st</sup> March 2008	
(iv) Details of Assumptions			
(a) Discount Rate	8.00%	8.00%	
(g) Salary Escalation	4.50%	4.00%	
(h) Attrition Rate	2.00%	2.00%	
5. Claims against the Company not acknowledged as debts Rs. 1,541.52 Lacs (previous year Rs. 1,448.61 Lacs).			
6. Estimated amount of contracts remaining to be executed on Capital Account (Net of Advance) <b>NIL</b> ( previous year NIL ).			
7. Unexpired Letter of Credits established in respect of Plant & Machinery, Raw Materials and Stores & Spares Rs. 4,457.02 Lacs (previous year Rs.2,978.99 Lacs)			
8. Bank guarantees issued by banks Rs. 207.19 Lacs (previous year Rs. 158.72 Lacs).			
9. The company has received demand notices for differential Excise duty Rs.7,254.60 Lacs and equivalent penalties on account of reversal of duty on clearance of 'Newsprint in reels' under Rule 6(3)(b) of CENVAT Credit Rule. CESTAT has already granted unconditional stay against the said demands. Show Cause Notice for duty amount of Rs. 14,321.70 Lacs for similar classification of 'Newsprint in reels' under section 5(A) & Rule 8 of Central Excise Rule 1944 has already been withdrawn by the Central Excise Department and CENVAT credit rules 2004 have also been amended vide notification dated 21.02.2007 so as to include Newsprint in reels as exempted items. The company has been advised by an expert that ultimately such demand is not likely to be confirmed against the Company. Similar notices have been received by other newsprint manufacturers also.			
10. Arrears of dividend on Cumulative Preference Shares from 15 <sup>th</sup> April 1998 to 15 <sup>th</sup> Dec. 2001 aggregate Rs.2069.95 Lacs.			
11. Balances with Excise & Sales Tax Authorities are subject to confirmation.			
12. In Respect of Plant & Machinery taken on lease during financial year 1996 - 97 & 1997 - 98, the future minimum lease rent payable is as under:			
	<b>As on 31.03.2009</b>	<b>(Rs. In Lacs)</b> As on 31.03.2008	
Not later than one year	<u>833.23</u>	833.23	
Later than one year and not later than five years	<u>2081.36</u>	2916.32	
Later than five years	-	-	
Total	<u><b>2914.59</b></u>	<u>3749.55</u>	

# SCHEDULES

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13. Contingency reserve represents remission granted by CDR members (except those with whom one time settlement was made) in principal loan amount pursuant to the Restructuring Scheme approved by the Corporate Debt Restructuring Cell on 27<sup>th</sup> Sept. 2003. The said Scheme of Restructuring stipulates repayment of outstanding Loans in installments ending on 15<sup>th</sup> August 2012 and a corporate guarantee from The West Coast Paper Mills Ltd as additional Security and that on certain special events of default, the remission granted would be retrospectively revoked.
14. Interest free Loan under Sales Tax deferral scheme from Government of Gujarat is repayable in six equal annual installments starting from 31.05.2010.
15. 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 2009, under the provisions of Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertaking Act, 1993.
16. Exchange difference (net) Debit of Rs. 708.42 Lacs (Previous year Credit Rs.147.78 Lacs) has been included in respective heads of accounts in Profit and Loss account.
17. In view of the Tax Remission Scheme being availed by the company VAT / CST on sales has been credited to sales.
18. Sundry expenses includes Rs.77.40 Lacs Bad Debts Written Off during the year.
19. Details of consumption of raw materials:

Particulars	Year Ended 31 <sup>st</sup> March, 2009		Year Ended 31 <sup>st</sup> March, 2008	
	Quantity	Value	Quantity	Value
	(MT)	(Rs. In lacs)	(MT)	(Rs. In lacs)
Old Newsprint	91,026	9,013.75	104,887	8,395.55
White Ledger Cuttings	2,125	261.10	4,853	549.85
Pulp	560	164.06	604	160.70
Others	93,523	11,457.05	77,990	7,420.76
	<b>1,87,234</b>	<b>20,895.96</b>	<b>1,88,334</b>	<b>16,526.86</b>

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

Particulars	Year Ended 31 <sup>st</sup> March, 2009		Year Ended 31 <sup>st</sup> March, 2008	
	Value	%	Value	%
	(Rs. In lacs)		(Rs. In lacs)	
Indigenous	12,691.15	48.78	12,368.84	59.32
Imported	13,327.11	51.22	8,481.89	40.68
	<b>26,018.76</b>	<b>100.00</b>	<b>20,850.73</b>	<b>100.00</b>

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

Particulars	Year Ended 31 <sup>st</sup> March, 2009		Year Ended 31 <sup>st</sup> March, 2008	
	Quantity	Value	Quantity	Value
	(MT)	(Rs. In lacs)	(MT)	(Rs. In lacs)
* Installed Capacity (per annum)				
Newsprint /Writing & Printing Paper	1,32,000	—	1,32,000	—
a) Opening Stock				
- Newsprint	2,012	447.55	2,275	483.23
- Writing & Printing Paper	2,529	852.01	NIL	—
<b>TOTAL</b>	<b>4,541</b>	<b>1,299.56</b>	<b>2,275</b>	<b>483.23</b>
b) Production				
- Newsprint	1,24,428	—	1,31,561	—
- Writing & Printing Paper	81	—	7,210	—
<b>TOTAL</b>	<b>1,24,509</b>	<b>—</b>	<b>1,38,771</b>	<b>—</b>

# SCHEDULES



c) Sales				
- Newsprint	1,06,527	33,346.83	1,31,824	34,030.79
- Writing & Printing Paper	2,584	858.14	4,681	1,543.71
<b>TOTAL</b>	<b>1,09,111</b>	<b>34,204.97</b>	1,36,505	35,574.50
d) Closing Stock				
- Newsprint	19,913	4,814.45	2,012	447.55
- Writing & Printing Paper	26	8.60	2,529	852.01
<b>TOTAL</b>	<b>19,939</b>	<b>4,823.05</b>	4,541	1,299.56
e) Other Sales	—	16.46	—	2.23

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

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

<b>Particulars</b>	<b>Year Ended 31<sup>st</sup>March, 2009 (Rs. In Lacs)</b>	<b>Year Ended 31<sup>st</sup>March, 2008 (Rs. In Lacs)</b>
Salary	27.49	24.72
Contribution to Provident Fund	3.18	2.84
Other perquisites	11.09	7.75

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

a) Capital Goods	—	—
b) Raw Materials & Chemicals	8,259.54	8,681.91
c) Components & Spare Parts	<u>473.12</u>	<u>697.23</u>
	<u>8,732.66</u>	<u>9,379.14</u>

23. Expenditure in Foreign Currency:

a) Traveling Expenses	1.64	4.69
b) Foreign Technicians Fees	—	1.32
c) Interest on FCNR Loans	71.16	56.98
d) Others	0.77	—

24. Earnings in Foreign Exchange:

<b>Particulars</b>	<b>Year Ended 31<sup>st</sup>March, 2009 (Rs. In Lacs)</b>	<b>Year Ended 31<sup>st</sup>March, 2008 (Rs. In Lacs)</b>
Export of goods calculated on F.O.B. basis	<u>95.42</u>	<u>68.82</u>

25. a) The Net Deferred Tax Asset of Rs.2,143.00 lacs (previous year Liability of Rs.55.11 lacs) for the current year has been credited to Profit and Loss Account as under:

<b>Particulars</b>	<b>As on 31.3.2008</b>	<b>For the year ended 31.3.2009</b>	<b>As on 31.3.2009</b>
a) Deferred Tax Liability on account of: Depreciation	<u>9,643.29</u>	<u>(682.27)</u>	<u>8,961.03</u>
b) Deferred Tax Assets on account of: Unabsorbed Depreciation	12,445.59	491.69	12,937.28
Unabsorbed Business Loss	-	955.79	955.79
Provision for Interest	-	-	-
Provision for Doubtful Debts and Advs.	9.64	-	9.64
Provision for Retirement Benefits	62.79	14.55	77.34
	<u>12,518.02</u>	<u>1462.03</u>	<u>13,980.05</u>
Net Deferred Tax Asset	<u>2,874.71</u>	<u>2,144.31</u>	<u>5,019.02</u>



# SCHEDULES

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b) The Company has recognised the Deferred Tax Asset, as the Management strongly believes that there is a virtual certainty as evidenced by the past performance of the company after take over by the new Management and future projections about the availability of future taxable income and such deferred tax asset would be realized.

26. Earnings per share:

Particulars	Year Ended	Year Ended
	31 <sup>st</sup> March 2009	31 <sup>st</sup> March 2008
a) Net Profit (Rs. in Lacs)	(2,726.37)	106.59
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.)	(4.69)	0.18

27. The Company has only one reportable business segment i.e. paper and geographical segment and hence no further disclosure are required under AS-17 on Segment Reporting.

28. Related Party Disclosures:

i) Related Party Relationships	
a) Enterprises Where control exists	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 or relative of a 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 31<sup>st</sup> March, 2009 and no amount has been written off or written back during the year in respect of debts due from/to them.

ii) Transactions with Related Parties:

Type of Related Party	Nature of the transactions	Year ended 31.03.2009	Outstanding As on 31.03.2009		Year ended 31.03.2008	Outstanding As on 31.03.2008	
			Receivable	Payable		Receivable	Payable
Where control exists	Purchase of goods	---	---	---	30.02	---	---
	Rent	1.20	---	0.30	1.50	---	0.20
	ICD taken	1,200.00	---	---	---	---	---
	ICD repaid	1,200.00	---	---	---	---	---
	Interest paid on ICD	14.00	---	---	---	---	---
	Reimbursement of expenses	---	---	---	0.15	---	---
	Security deposit given	---	2.00	---	---	2.00	---
Key Management Personnel	Managerial Remuneration Paid	41.76	---	---	35.31	---	---
Enterprises owned or significantly influenced by Relatives of Key Management Personnel	Expenses	---	---	---	---	---	---

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

### Signature to Schedules 1 to 29

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

**Rakesh Rathi**  
Partner  
Membership No. 45228  
Place : Mumbai  
Dated : 30th June, 2009

Girish Sharma  
VP (F&A) & Company Secretary

Shree Kumar Bangur	Chairman
Virendra Bangur	Vice Chairman
Vashu. J. Ramsinghani	Vice Chairman
Amit Ramsinghani	Director
Lt. Gen. (Retd.) Ashok Kapur	Independent Director
M. P. Taparia	Independent Director
S. Doreswamy	Independent Director
Sudarshan Somani	Independent Director
V. D. Bajaj	Executive Director

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



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

I. Registration Details :	
Registration No.	04-19432
State Code	04
Balance Sheet Date	31.03.2009
II. Capital Raised during the Year (Rs. In Thousands):	
Public Issue	Nil
Right Issue	Nil
Bonus Issue	Nil
Private Placement	Nil
III. Position of Mobilisation and Deployment of Funds (Rs. In Thousands):	
Total Liabilities	5953307
Total Assets	5953307
SOURCES OF FUNDS	
Paid-up Capital	581580
Advance against shares	Nil
Reserves and Surplus	2271934
Secured Loans	1984294
Unsecured Loans	242979
APPLICATION OF FUNDS	
Net Fixed Assets	3688959
Capital Work-in-progress	87456
Investments	163
Deferred Tax Assets	501902
Net Current Assets	729494
Miscellaneous Expenditure	Nil
IV. PERFORMANCE OF THE COMPANY (Rs. in Thousands):	
Turnover including other income	3467490
Total Expenditure	3952930
Profit/(Loss) Before Tax	(485440)
Profit/(Loss) After Tax	(272709)
Earning per share (Rs.)	(4.69)
Dividend Rate (%)	Nil
V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (AS PER MONETARY TERMS)	
Product Description	Item Code No. (ITC Code)
Newsprint	48010009
Writing & Printing Papers	48026009

Place : Mumbai  
Dated : 30th June, 2009

Girish Sharma  
VP (F&A) & Company Secretary

Shree Kumar Bangur	Chairman
Virendra Bangur	Vice Chairman
Vashu. J. Ramsinghani	Vice Chairman
Amit Ramsinghani	Director
Lt. Gen. (Retd.) Ashok Kapur	Independent Director
M. P. Taparia	Independent Director
S. Doreswamy	Independent Director
Sudarshan Somani	Independent Director
V. D. Bajaj	Executive Director

# CASH FLOW STATEMENT

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2009  
(Pursuant to clause 32 of the listing agreement with Stock exchanges)

	Year Ended 31.3.2009 (Rs.in Lacs)	Year Ended 31.3.2008 (Rs.in Lacs)
<b>A Cash Flow from Operating Activities</b>		
Net Profit before Taxation	(4,854.40)	181.76
Adjustments for:		
Depreciation	3,435.28	3,433.40
Interest	3,620.12	3,402.47
Other Income	(8.96)	(20.78)
(Profit) / Loss on sale of assets (net)	<u>0.00</u>	<u>0.03</u>
	<u>7,046.44</u>	<u>6,815.12</u>
Operating Profit before working capital changes	<u>2,192.04</u>	<u>6,996.88</u>
(Increase)/Decrease in Inventory	(654.87)	(3,809.41)
(Increase)/Decrease in Debtors	861.25	570.65
(Increase)/Decrease in Advances & Other Current Assets	207.77	(677.55)
Increase/(Decrease) in Trade and Other Payables	<u>2,729.07</u>	<u>1,871.68</u>
	<u>3,143.22</u>	<u>(2,044.63)</u>
Cash Generated from Operations	<u>5,335.26</u>	<u>4,952.25</u>
Direct Taxes paid	(17.00)	(20.05)
Cash Generated from Operations	<u>5,318.26</u>	<u>4,932.20</u>
<b>Net Cash from Operating Activities</b>	<u>5,318.26</u>	<u>4,932.20</u>
<b>B Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets including capital work-in-progress	(250.07)	(699.26)
Sale of Fixed Assets	0.53	0.11
Interest Received	8.92	20.72
Sale of Investment	-	0.05
Dividend Received	<u>0.04</u>	<u>0.06</u>
<b>Net Cash Used in Investing Activities</b>	<u>(240.58)</u>	<u>(678.32)</u>
<b>C Cash Flow from Financing Activities</b>		
Proceeds from borrowings	1,171.06	3169.30
Repayment of Borrowings	(2,562.76)	(4,062.60)
Interest and Lease Rent Paid	<u>(3,676.15)</u>	<u>(3,402.54)</u>
<b>Net Cash from Financing Activities</b>	<u>(5,067.85)</u>	<u>(4,295.84)</u>
<b>Net Change in Cash &amp; Cash Equivalents (A+B+C)</b>	<u>(9.82)</u>	<u>(41.97)</u>
<b>Cash &amp; Cash Equivalents (Opening Balance)</b>	<u>37.27</u>	<u>79.23</u>
<b>Cash &amp; Cash Equivalents (Closing Balance)</b>	<u>47.09</u>	<u>37.27</u>

Note : All figures in brackets are outflow.

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

**Rakesh Rathi**  
Partner  
Membership No. 45228  
Place : Mumbai  
Dated : 30th June, 2009

Girish Sharma  
VP (F&A) & Company Secretary

Shree Kumar Bangur	Chairman
Virendra Bangur	Vice Chairman
Vashu. J. Ramsinghani	Vice Chairman
Amit Ramsinghani	Director
Lt. Gen. (Retd.) Ashok Kapur	Independent Director
M. P. Talaria	Independent Director
S. Doreswamy	Independent Director
Sudarshan Somani	Independent Director
V. D. Bajaj	Executive Director

# 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 as at 31<sup>st</sup> March, 2009, 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 have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statements. 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 (Auditors' Report) (Amendment) order 2004, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, on the basis of such checks of the books and records as we considered appropriate and the information and explanations given to us during the course of the audit, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent they are applicable to the Company.
  4. Further to our comments in the Annexure referred to 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 31<sup>st</sup> March 2009 and taken on record by the Board of Directors of the Company, we report that none of the directors are disqualified as on 31<sup>st</sup> March, 2009 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;
    - (i) in so far it relates to the Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March 2009;
    - (ii) in so far it relates to Profit and Loss Account, of the loss of the company for the year ended on that date, and
    - (iii) in so far it relates to the Cash Flow Statement, of the cash flows for the year ended on that date.

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

Place: Mumbai  
Date: 30<sup>th</sup> June, 2009

Rakesh Rathi  
Partner  
Membership No. 045228

## ANNEXURE TO AUDITORS' REPORT

ANNUAL REPORT  
2008 - 2009

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR  
REPORT OF EVEN DATE TO THE MEMBERS OF  
RAMA NEWSPRINT AND PAPERS LIMITED ON THE FINANCIAL  
STATEMENT FOR THE YEAR ENDED 31st MARCH 2009.**

- 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.
- e) As informed to us, the Company has taken unsecured loan from one of the company listed in the register maintained under Section 301 of Companies Act, 1956, the maximum amount involved during the year was Rs.7 crores and the year-end balance of loan was NIL.
- f) According to the information and explanation given to us, the rate of interest and other terms and conditions of loans taken from above mentioned company, are not prima facie prejudicial to the interest of the Company.
- g) 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 to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with 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, during the year company has not undertaken any contracts or arrangement referred to in section 301 of the companies' act 1956 that need to be entered into the register maintained under that section. Consequently sub clause (b) of clause (v) is not applicable.
- 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.
- 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, 2009 for the period of more than six months from the date they become payable, except the wealth tax payable amounting to Rs.4,44,876, which has since been 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	Amount (Rs. in Lacs)	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.
Sales Tax Act	Interest on late payment of Sales Tax (on sale of machinery to ICICI Ltd.)	87.31	Gujarat Sales Tax Tribunal, Ahmedabad.
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 however it has not incurred any cash losses 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 therefore 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 loan were applied for the purpose for which they were raised.
- 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, fund amounting to Rs.42.48 crores 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 company has not issued any debentures.
- xx) During the year 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**

**Rakesh Rathi**  
**Partner**  
**Membership No. 045228**

Place: Mumbai  
Date: 30<sup>th</sup> June, 2009

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

To,

The Members of Rama Newsprint & Papers Limited

We have examined the compliance of conditions of corporate governance by Rama Newsprint And Papers Limited, for the year ended on 31<sup>st</sup> March 2009, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

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 Corporation 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 explanation 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 in respect of investor grievances, the Registrar & Share Transfer Agent of the company has maintained the relevant records and certified that as on 31<sup>st</sup> March 2009, there were no investor grievances pending against the Company for a period exceeding one month.

We further 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**

**Rakesh Rathi**  
**Partner**  
**Membership No. 045228**

Place: Mumbai  
Date: 30<sup>th</sup> June, 2009

**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 EIGHTEENTH ANNUAL GENERAL MEETING of the Company to be held on Tuesday, 29<sup>th</sup> September 2009 at 2:30 p.m. at the Registered office of the Company, and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2009

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 EIGHTEENTH ANNUAL GENERAL MEETING of the Company held on Tuesday, 29<sup>th</sup> September 2009 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)

## BOOK-POST

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**RAMA NEWSPRINT AND PAPERS LIMITED**

3rd Floor, Shreenivas House, Hazarimal Somani Marg, Fort,  
Opp. Bombay Gymkhana, Mumbai-400001.

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