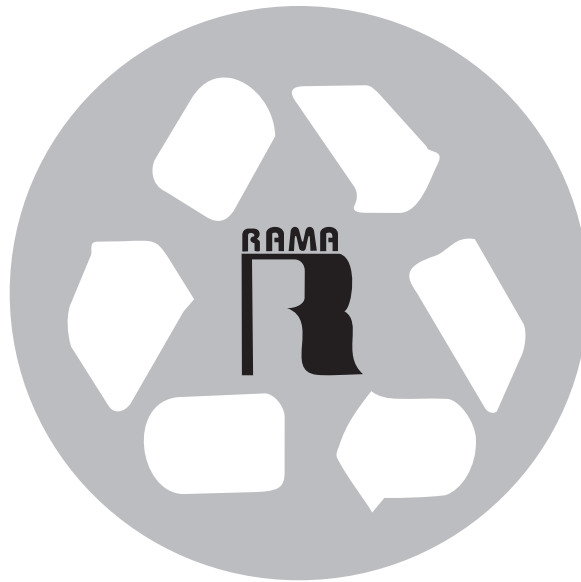


21st ANNUAL REPORT
2011 - 2012



RAMA NEWSPRINT AND PAPERS LIMITED

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BOARD OF DIRECTORS

SHREE KUMAR BANGUR	CHAIRMAN
VIRENDRA BANGUR	VICE CHAIRMAN
K. L. CHANDAK	DIRECTOR
SUDARSHAN SOMANI	INDEPENDENT DIRECTOR
LT. GEN. (RETD.) ASHOK KAPUR	INDEPENDENT DIRECTOR
JANAK MEHTA	INDEPENDENT DIRECTOR
P. S. MAHARAJ	EXECUTIVE DIRECTOR

Bankers

Bank of India
Oriental Bank of Commerce
Central Bank of India
Axis Bank Ltd.
ICICI Bank Ltd.

Registered Office & Factory

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

Corporate Office

Chandermukhi Building, 8th Floor, 'B' Block,
R. Goenka Marg, Nariman Point,
Mumbai - 400 021.
Ph. : 022-22821025/ 1014/ 1048
Fax : 022-22821083
E-mail : ramanewsprint@ramanewsprint.com
Website : www.ramanewsprint.com

Registrar & Transfer Agent

LINK INTIME INDIA PVT. LTD.

Unit : Rama Newsprint & Papers Ltd.

C – 13, Pannalal Silk Mills Compoud,
L.B.S Marg, Bhandup (W),
Mumbai - 400 078.
Ph. : 022-25963838
Fax : 022-25946969
E-mail : rnt.helpdesk@linkintime.co.in

Auditors

Haribhakti & Co., Mumbai

Advocates & Solicitors

Khaitan & Co., Mumbai.

Sr. Vice President (F & A) & Company Secretary

Girish Sharma

This Annual Report has been printed on Paper Manufactured by RNPL

NOTICE

ANNUAL REPORT 2011 - 2012

NOTICE IS HEREBY GIVEN THAT THE 21st ANNUAL GENERAL MEETING OF THE MEMBERS OF RAMA NEWSPRINT AND PAPERS LIMITED WILL BE HELD ON SATURDAY, 22nd SEPTEMBER 2012 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 31st March 2012, Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and Auditors thereon.
- (2) To appoint a Director in place of Lt.Gen. (Retd.) Ashok Kapur, 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 Janak Mehta, 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 Shree Kumar Bangur, 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(s), the following resolution as **Special Resolution**:

“**RESOLVED THAT** the Authorised Share Capital of the Company of ₹ 2,33,00,00,000/- (Rupees Two hundred and thirty three crore) comprising 23,30,00,000 (Twenty three crore thirty lac) Equity Shares of ₹ 10/- each be and is hereby reclassified into:

- (i) 2,03,00,000 (Twenty crore thirty lac) Equity Shares of ₹ 10/- each and
- (ii) 30,00,000 (Thirty lac) Preference Shares of ₹ 100/- each.

“**RESOLVED FURTHER THAT** pursuant to provision of section 16 of the Companies Act, 1956, (including any statutory modification and re-enactment thereof for the time being in force) and all other applicable provisions of Companies Act, 1956, the existing clause V of the Memorandum of Association of the Company be and is hereby altered by deleting the words:

“The Authorised Share Capital of the Company is ₹ 2,33,00,00,000/- (Rupees Two hundred and thirty three crore only) divided into 23,30,00,000 (Twenty three crore thirty lac) Ordinary Shares of ₹ 10/- each” and by inserting the words:

“The Authorised Share capital of the Company is ₹ 2,33,00,00,000/- (Rupees Two hundred and thirty three crore)

divided into 20,30,00,000 (Twenty crore thirty lac) Equity Shares of ₹ 10/- (Ten) each and 30,00,000 (Thirty lac) Preference Shares of ₹ 100/- (One hundred) each.

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

“**RESOLVED THAT** pursuant to the provisions of Section 31(1) of the Companies Act, 1956 the existing Article 4 of the Articles of Association of the Company be and is hereby altered by substituting it with the following:

“4. The Authorised Share Capital of the Company is ₹ 2,33,00,00,000/- (Rupees Two hundred and thirty three crore) divided into:

- (i) 20,30,00,000 (Twenty crore thirty lac) Equity Shares of ₹ 10/- each and
- (ii) 30,00,000 (Thirty lac) Preference Shares of ₹ 100/- each.”

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

“**RESOLVED THAT** pursuant to Section 80, 81(1A) and other applicable provisions if any, of the Companies Act, 1956, the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, Clauses 7, 8 and other enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreement entered into by the Company with Stock Exchanges where the shares of the Company are listed and subject to such approvals, consents, permissions and sanctions of the Government of India ('GOI') Securities & Exchange Board of India (SEBI) and all other appropriate and/or concerned authorities as may be necessary, and subject to such terms, conditions and modifications, as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee which the Board may have constituted or hereafter constitute to exercise its powers, including the powers conferred by this Resolution), the consent of the Company, be and is hereby accorded to the Board to offer issue and allot from time to time in one or more tranches upto 30,00,000/- (Thirty lac only) Cumulative Redeemable Non Convertible Preference Shares (hereinafter referred to as CRNPS) of ₹ 100/- each aggregating to ₹ 30,00,00,000/- (Rupees Thirty crore only) on a private placement basis to any persons or entities including the persons or entities in the Promoter Group (known as S.K. Bangur Group), as they may deem fit.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board, be and is hereby authorized to determine the form, terms and timing of the issue, issue price, number of CRNPS, rate of dividend, terms and conditions of redemption and related or incidental matters, as the Board in its absolute discretion deem fit and accept any modifications in the proposal as may be required by the authorities in such issues.

NOTICE



RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary or desirable, including without limitation to settle any question, difficulty or doubt that may arise in regard to the offer, issue and allotment of the CRNPS.

RESOLVED FURTHER THAT the Board be and is hereby authorized to accept any modification in the proposal as may be required by the authorities involved in such issues but subject to such conditions as the SEBI or such other appropriate authorities may impose at the time of their approval and as agreed to by the Board.

RESOLVED FURTHER THAT the Board be and is hereby entitled to appoint or enter into and execute all such arrangements/ agreements, with such agencies or entities as may be involved or concerned in such issue/ offering of CRNPS.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or the Chairman or any other Director(s) or officer(s) of the Company to give effect to the aforesaid resolution."

By Order of the Board
For RAMA NEWSPRINT AND PAPERS LIMITED

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

Place: Mumbai
Date: 6th August, 2012

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

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 in respect of item no.6 to 8 of the set out above is annexed hereto. Books of the Company shall remain closed from 14th September 2012 to 22nd September 2012 (both days inclusive).
4. Pursuant to the requirement of Clause 49 of the Listing Agreement, a statement containing brief resume of the Directors who are seeking appointment/re-appointment under item nos. 2 to 4 is annexed hereto.
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 up to the date of the Annual General Meeting and will also be available for inspection at the Meeting.
9. Green Initiative in Corporate Governance – Service of Documents in Electronic Form

As you are aware, Ministry of Corporate Affairs (MCA), Government of India, vide its Circular Nos. 17 & 18 dated 21st April, 2011 and 29th April, 2011, respectively, has now allowed the companies to send Notices of General Meetings/ other Notices, Audited Financial Statements, Directors' Report, Auditors' Report, etc., henceforth to their shareholders electronically as a part of its Green Initiatives in corporate governance.

Keeping in view the aforesaid initiative of MCA, your Company shall send the Annual Report to its shareholders in electronic form, to the e-mail address provided by them.

We are confident that you would appreciate the "Green Initiative" taken by the Government. We sincerely solicit your cooperation in helping your Company to implement the "Green Initiative" and would request you to please register your e-mail ID with the Company/your Depository so as to, henceforth, receive all documents from the Company in electronic mode.

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

Item Nos. 6 & 7

With a view to tide over the difficult financial position of the Company arising out of the heavy cash losses incurred since 2008-09, it is proposed to raise up to ₹ 30 crores by issue of Cumulative Redeemable Non convertible Preference Shares by way of private placement.

To enable the Company to issue and allot the proposed Preference Shares, it is necessary to alter and reclassify the authorized capital of the Company and accordingly alter the capital clauses of the Memorandum of Association and the Articles of Association of the Company.

The Directors recommend this resolution for your approval.

None of the Directors is interested or concerned in the above resolutions.

Item No. 8

The Company plans to issue Preference Share capital of upto ₹ 30 crores on a private placement basis on time to time to persons or entities including the persons from entities from the Promoter Group on such terms and conditions as a Board of Directors may deem fit for the business requirement of the Company.

The Directors recommend the resolution for your approval.

None of the Directors other than Shri Shree Kumar Bangur, Shri Virendra Bangur & Shri K. L. Chandak is concerned or interested in this resolution.

NOTICE**ANNUAL REPORT
2011 - 2012****DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENT IN FORTHCOMING ANNUAL GENERAL MEETING****(In pursuance of Clause 49 of the Listing Agreement)**

Name of Director	Lt.Gen. (Retd.) Ashok Kapur	Shri Janak Mehta	Shri Shree Kumar Bangur.
Date of Birth	13.05.1947	26.10.1963	16.11.1949
Qualifications	Completed 10th, joined National Defence Academy, Khadakwasla	Commerce Graduate	B.Com
Expertise in specific functional areas	Lt. Gen. (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.	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.	An industrialist of repute with extensive experience of paper industry and general management of Corporate & Industrial affairs. He is also past president of Indian Paper Manufacturers Association. He is also a Committee Member of Federation of Indian Chamber of Commerce & Industry (FICCI), Indian Chamber of Commerce and Bharat Chamber of Commerce.
Directorship in Other Companies	NIL	FRR Shares & Securities Ltd., FRR Capital Ltd. & FRR Forex Private Limited.	The West Coast Paper Mills Ltd., The Diamond Company Ltd., Jayshree Chemicals Ltd., The Kil Kotagiri Tea & Coffee Estates Co. Ltd., Mothola Company Ltd., Shree Satyanarayan Investments Co. Ltd., Union Company Ltd., Gloster Telecom Ltd., Hindustan National Glass & Industries Ltd., Shree Satyanarayan Properties Pvt Ltd. and Marwar Textiles (Agency) Pvt. Ltd.
Membership of Committees of Board of other Companies	NIL	NIL	Remuneration Committee: Jayshree Chemicals Ltd.
Shareholding in the Company	NIL	NIL	13,27,885

By Order of the Board
For RAMA NEWSPRINT AND PAPERS LIMITED

GIRISH SHARMA
Sr. Vice President (F&A) & Company Secretary

Place: Mumbai
Date: 6th August, 2012

DIRECTORS' REPORT



To
The Members of
RAMA NEWSPRINT AND PAPERS LIMITED

Your Directors are pleased to present the 21st Annual Report and the Audited Accounts for the Financial Year ended 31st March 2012.

FINANCIAL RESULTS

	(₹ in lacs)	
	Year ended 31.03.2012	Year ended 31.03.2011
Revenue from operations	35197.96	32032.09
Profit /(Loss) before Interest, Depreciation and Tax	(258.31)	(641.86)
Finance Cost	5055.05	3733.72
Profit / (Loss) before Depreciation and Tax	(4796.74)	(4375.58)
Depreciation	(3465.56)	3485.14
Profit /(Loss) before Tax	(8262.30)	(7860.72)
Deferred Tax / (Credit)	(2709.62)	6168.20
Net Profit / (Loss) from ordinary activities	(5552.68)	(14028.92)
Extraordinary item: (Refer Note No. 36 of Notes of Accounts)	11765.48	-
Net Profit / (Loss) for the period	6212.80	(14028.92)

PERFORMANCE DURING 2011-12

The year under review proved to be another difficult year for the operations of the Company. Although the selling prices of Newsprint witnessed an increase of about ₹ 3200/MT, the effect of the same was neutralized due to hikes in the cost of raw materials and coal. A substantial increase in the finance cost coupled with loss on account of exchange fluctuation, further aggravated the quantum of loss during the year. As a result of the continuing cash losses, the liquidity crunch being faced by the Company further worsened during the year causing delays and defaults in payment of interest, term loans and other statutory dues.

The Company improved its capacity utilization to about 88% during the year and produced 1,16,060 MT of Newsprint as against 1,09,355 MT during 2010-11. The Company achieved a sales volume of 1,14,080 MT during the year as against 1,14,830 MT during 2010-11.

During the year the Company availed new Term Loans of ₹ 160 crs for refinancing of all the existing term loans and partly to reduce the Working Capital deficit. The new Term Loans provide for a moratorium period of two years alongwith extended repayment schedule. However, the Company could not pursue its plan of raising about ₹ 50 crs. by way of Rights Issue of Equity

Shares on account of the delay in getting the final approval of SEBI coupled with adverse capital market scenario. It is now proposed to raise upto ₹ 30 crs by issue of Preference Shares by way of private placement. The requisite enabling resolutions in this regard will be placed for approval of the Shareholders at the ensuing Annual General Meeting.

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, distributing free medicines to the needy, the Company supplies free Drinking Water on a regular basis to the nearby villages.

The Company has been operating 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 of the company for that period;
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. The annual accounts have been prepared on a "going concern" basis.

PUBLIC DEPOSITS

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

LISTING OF SHARES

Equity Shares of Company continue to be 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

Lt.Gen. (Retd.) Ashok Kapur, Shri Janak Mehta & Shri Shree Kumar Bangur are retiring by rotation at the ensuing Annual General Meeting and, being eligible, have offered themselves for re-appointment.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

PARTICULARS OF EMPLOYEES

During the year under review no employee has drawn remuneration in excess of the limits specified under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended to date.

CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION & ANALYSIS

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

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

The Certificate from CEO/CFO was placed before the Board of Directors at the meeting held on 29th May 2012.

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.

The Board has taken note of the qualification made by the Auditors in their report regarding the Company having recognized Deferred Tax Asset (DTA) in the absence of convincing evidences to support virtual certainty about the future taxable

income. However, as explained in the Notes to Accounts the Board is of a strong opinion that in view of the improved market scenario and the infusion of fresh funds, the Company will have sufficient future taxable profits.

The other observations of the Auditors in their report read with the relevant notes are self explanatory.

COST AUDIT

The cost accounting records maintained by the company are subject to audit by the qualified Cost Auditors. Your Company has appointed M/s. Nanty Shah and Associates, qualified Cost Accountant for conducting the audit of cost account records for the year ended 31st March 2012 and the Cost Audit report will be submitted to the Ministry of Corporate Affairs, Government of India in due course. The Cost Audit report for the year ended 31st March, 2011 was filed on 23rd September, 2011 i.e. well within the due date i.e., 30th Sept., 2011.

INDUSTRIAL RELATIONS

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

ACKNOWLEDGEMENT

The Directors wish to place on record their appreciation for the continued support and co-operation received from the Banks, Financial Institutions, Government Authorities, Share Holders, Suppliers & Dealers. They also deeply appreciate the commitment and dedication of employees at all levels.

By Order of the Board

S. K. BANGUR
CHAIRMAN

Place: Mumbai

Date: 6th August, 2012

ANNEXURE TO DIRECTORS' REPORT



ANNEXURE – I

INFORMATION AS PER SECTION 217(1)(e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS), RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31st MARCH 2012.

A. CONSERVATION OF ENERGY

1. Energy Conservation Measure Taken in FY 2011-12

- i) Speed of agitator no. 711-33-06 in FDP-1 has been reduced by 7.5 % by trimming its impeller.
- ii) Speed of Pump no.711-31-43 in FDP-1 has been reduced by 6 % by trimming its impeller.
- iii) Motor of PM-2 dry end pulper running with <40 % load has been converted to star connection.
- iv) 852-77-04 Motor of PM-2 hood exhaust fan running with <40 % load has been converted to star connection.
- v) Vacuum Pump No 7-350 KW of PM-2 for suction pick up replaced with smaller capacity 200 KW vac pump.
- vi) Existing cooling water booster pump(Q-350M3,H-3.3 Bar,P-22 Kw) having higher capacity & motor kw has been replaced with required head and flow pump and motor.
- vii) Out of four running fans of cooling tower, one fan made shut as plant is running under capacity.
- viii) Dry end pulper motor connected to Star connection as it was running with less than 40 % load.
- ix) Out of eight aerators, one is completely shut without affecting final effluent quality as plant load has come down

2. Water Conservation Measures Taken in FY 2011-12

- i) The existing control valve in ETP water line to white water chest no.3 of FDP-2 has been replaced with butterfly valve.
- ii) Utilization of Rain water collected in Guard pond during rainy season.
- iii) Fresh water hose connection of wire wash roll in PM-1 has been modified to control the wastage of water.

3. Energy Conservation Measure Proposed for future

- i) One FRP Fan received at site and another five existing cast aluminum impellers of Hood Exhaust Fan will be replaced with energy efficient FRP Fans.
- ii) Motors with efficiency lower than 85 % have been identified. It is proposed to replace it with high efficiency motors.
- iii) To replace FDP-2 Krofta high pressure pump & motor with smaller size pump and motor.
- iv) VFD installation in CE-4 and AP-2 boiler.
- v) To reduce instrument air consumption by separating 4.50 kg/cm² and 6.40 kg/cm² Instrument air line.

4. Water Conservation Measures proposed for future

- i) To reduce fresh water consumption by utilization of back wash water of ACF and DMF unit in DM plant as make up water for cooling tower.
- ii) Utilization of super clear water in PM-1 wire showers and PM-2 disc filter shower after installing Disc Filter in PM-1.
- iii) It is proposed to work on "Zero Effluent Discharge" for water conservation.

5. Impacts of Measures (1 & 2)

Reduction in power consumption and fresh water consumption for manufacturing Newsprint and Writing and Printing quality paper have been achieved during financial year as given below:

Reduction in power consumption (KWH/Day) 1182

B. TECHNOLOGY ABSORPTION

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

C. FOREIGN EXCHANGE EARNING AND OUTGO

(₹ In Lacs)

	Current year ended 31.3.2012	Previous year ended 31.3.2011
Foreign Exchange Earning	604.81	553.81
Foreign Exchange Used	6343.29	3764.84

FORM - A

Form of Disclosure of particulars with respect to Conservation of Energy

A) Power and Fuel Consumption

<u>Sr. No.</u>	<u>For the Year ended</u>	<u>For the Year ended</u>
	31.03.12	31.03.11
1. Electricity		
a) Purchased		
Units (Kwh in thousand)	7468	3401
Total Amounts (₹ Lacs)	1124.15	416.71
Rate/Unit (₹)	15.05	12.25
b) Own Generation		
I. Through Diesel Generator		
Units (Kwh in thousand)	2	9
Unit per Litre of Diesel/Oil	1.76	2.47
Rate/Unit (₹)	23.17	13.91
II. Through Steam Turbine/Generator		
Unit (Kwh in thousand)	117335	117704
Rate/Unit (₹)	3.94	3.16
2. Coal		
Quantity (MT)	154893	149888
Total Cost (₹ In lacs)	5904.61	4827.16
Average rate (₹ per MT)	3812	3220
3. Lignite		
Quantity (MT)	4293	NIL
Total Amount (₹ Lacs)	100.48	NIL
Avg. Rate (₹/K.Ltr)	2341	NIL
4. Furnace Oil		
Quantity (K.Ltr)	Nil	Nil
Total Amount (₹ In lacs)	Nil	Nil
Average rate (₹ Per K. Ltr)	Nil	Nil

B) Consumption per MT of Production

	<u>For the Year ended</u>	<u>For the Year ended</u>
	31.03.12	31.03.11
Electricity (kwh)	1075	1108
Furnace Oil (ltr)	NIL	NIL
Coal (kgs)	1335	1371
Lignite (Kgs)	32	NIL

FORM - B

Form for disclosure of particulars with respect to Technology Absorption

RESEARCH AND DEVELOPMENT (R & D) :

- i) Utilization of paper machine Krofta sludge in paper making system. Substantial reduction of fibre loss achieved resulting in lower requirement of waste paper per ton of paper. Properties of paper also improved in some critical parameters.
- ii) Modified hydrosulphite was tried in the plant and established as substitution.
- iii) New OBA was tried in the plant for substitution and cost reduction.
- iv) Indigenously available core plugs developed for substitution with imported core plugs for cost reduction and availability.
- v) Lab trials taken and established for new retention aid programme for substitution and cost reduction. Plant trial proposed.
- vi) Lab evaluation of De-inking chemicals carried out against existing chemical being used as substitute for cost effectiveness and improved performance. Plant trial proposed.
- vii) Lab evaluation of new polymer for sludge dewatering at ETP for substitution was established and plant trial proposed.

TECHNOLOGY ABSORPTION :

1. Efforts in brief made towards technology absorption, adoption and innovation :

- i) Lignite coal firing trial has been taken and results have been found encouraging.
- ii) Successful commissioning of complete ash handling system in AP-2 Boiler.
- iii) Commissioning of on line felt cleaning system for better machine runnability in PM-1 also.
- iv) Commissioning of waste paper sorting station.
- v) Cast aluminum fans are being replaced with FRP fans.

2. Benefits derived as a result of above efforts:

- i) As imported and indigenous coal prices are increasing frequently, more use of lignite will be cost effective.
- ii) It has improved reliability in operation apart from saving in air consumption.
- iii) Felt cleaning system has resulted in better machine runnability and paper quality.
- iv) Improved/upgraded technology has helped in sorting inferior quality waste paper raw material in an efficient way. More improvement is expected after installation of perforated drum.
- v) FRP fans being light in weight helps in substantial energy saving.

3. Details of Project Development work in field of Energy which are in progress :

- i) Replacement of all the remaining six cast aluminum fans of hood exhaust fan with FRP fans.
- ii) Separation of 4.50 kg/cm² and 6.40 kg/cm² instrument air lines at PM-1 and PM-2 to reduce air consumption.

CORPORATE GOVERNANCE REPORT



ANNEXURE - II

CORPORATE GOVERNANCE REPORT

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

(The Corporate Governance Report is for the Year under review i.e. from 1st April 2011 to 31st March 2012)

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 composition of the Board of Directors meets with the requirements of corporate governance prescribed in the Listing Agreement. As on 31st March, 2012, Board of Directors of the Company consists of Nine (9) Directors comprising of one (1) Executive Director and eight (8) of whom are Non-Executive Directors including five (5) Independent Directors.

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

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

The Company has complied with the provisions with regard to holding of Board Meetings during the period under review, i.e. from 1st April 2011 to 31st March 2012. The intervening period between the Board Meetings was within the maximum time gap prescribed under the Companies Act, 1956 and Clause 49 of the Listing Agreement.

During the year ended 31st March 2012 the Company had four Board Meetings. These were on 25th May 2011, 10th August 2011, 10th November 2011 and on 14th February 2012.

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 Committee Membership in other Public Company. *	
						Chairman	Member
1.	Shri Shree Kumar Bangur #	Promoter, Chairman	3	No	9	-	-
2.	Shri Virendra Bangur #	Promoter, Vice Chairman	2	No	5	-	1
3.	Shri K.L. Chandak	Director	4	No	2	-	-
4.	Shri P. S. Maharaj	Executive Director	4	Yes	4	-	-
5.	Shri Haigreve Khaitan (upto 05.04.2012)	Non-Executive Independent Director	-	No	16**	-	8
6.	Shri Sudarshan Somani	Non-Executive Independent Director	2	No	-	-	-

Sr. No.	Name of Director	Position	No. of Board Meetings attended	Attendance at last AGM	No. of other Public Co. Directorships	No. of Committee Membership in other Public Company. *	
7.	Shri S.Doreswamy (upto 11.05.2012)	Non-Executive Independent Director	1	No	6	2	6
8.	Lt. Gen. (Retd.) Ashok Kapur	Non-Executive Independent Director	4	No	-	-	-
9.	Janak Mehta	Non-Executive Independent Director	2	No	2	-	-

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

** Includes alternate directorship.

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

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 ₹ 4000/- per meeting to Non-Executive Directors for attending Board meetings and Audit Committee meetings. The Company does not pay any other remuneration or commission to the non-executive Directors of the Company. Further, it is not a policy of the Company to give loans and advances to its Directors.

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

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

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

CEO/CFO Certification:- As required under clause 49V of the listing agreement with stock exchanges, the Executive Director and Sr. Vice President (Fin & A/cs) have certified to the Board the financial statements for the year ended 31st March 2012.

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 31st March 2012

During the year under review following was the composition of the Audit Committee of the Board:

Sr. No.	Name of the Member	Status
1.	Shri S. Doreswamy (Chairman) (upto 11.05.2012)	Non-Executive Independent Director
2.	Shri Sudarshan Somani	Non-Executive Independent Director
3.	Lt. General (Retd.) Ashok Kapur	Non-Executive Independent Director
4.	Shri Janak Mehta	Non-Executive Independent Director
5.	Shri P. S. Maharaj	Executive Director

CORPORATE GOVERNANCE REPORT



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

(i) 25th May 2011, (ii) 10th August 2011, (iii) 10th November 2011, (iv) 14th February 2012.

Attendances of Members at Audit Committee Meetings were as under:

Name of the Director	No. of Meetings attended
Shri S. Doreswamy (upto 11.05.2012)	1
Lt. General (Retd.) Ashok Kapur	4
Shri Janak Mehta	1
Shri Sudarshan Somani	2
Shri P. S. Maharaj	4

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

5) Remuneration Committee

The Remuneration Committee was constituted on 16th January 2004 to decide the remuneration of Executive Director. The Remuneration Committee was last reconstituted on 16th December 2010. The composition of the Remuneration Committee during the year under review was as follows:-

Sr. No.	Name of the Member	Status
1	Shri Haigreave Khaitan (upto 05.04.2012)	Non-Executive Independent Director (Chairman)
2	Shri Sudarshan Somani	Non-Executive Independent Director
3	Shri K. L. Chandak	Non-Executive Director
4	Shri Janak Mehta	Non-Executive Independent Director

6) Details of remuneration for the year ended 31st March 2012

(i) To Executive Director

Name	Salary (₹)	Comm-ission (₹)	Perqui-sites (₹)	Retire-ment Benefits (₹)
Shri P. S. Maharaj Executive Director	19,73,200	NIL	3,80,166	NIL

The above figures are exclusive of Company's contribution to provident fund, gratuity and leave encashment.

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

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

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

(ii) To Non-Executive Directors

During the year ended 31st March 2012, the Company, paid remuneration to Non-executive directors by way of sitting fees of ₹ 4000/- per meeting for attending Board Meetings and Audit 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 has shareholding in the Company except the following :

Sr. No.	Director	Shares held as on 31.03.2012
1	Shri S. K. Bangur	13,27,885
2	Shri Virendra Bangur	2,45,352
3	Shri K. L. Chandak	6,250

7) Share Transfer / Investor Grievance Committee

The composition of the Share Transfer & Investors Grievance Committee during the year under review was as follows :

Sr. No.	Name of the Member	Status
1	Shri K. L. Chandak	Non-Executive Director (Chairman)
2	Shri Haigreave Khaitan (upto 05.04.2012)	Non-Executive Independent Director
3	Shri. P.S. Maharaj	Executive Director
4	Shri Girish Sharma	Sr. VP (F&A) & CS (Compliance officer)

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. Shri Girish Sharma, Company Secretary, is Compliance officer of the Company.

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
18 th AGM – 2009	September 29, 2009	Tuesday	2.30 P.M
19 th AGM – 2010	September 29, 2010	Wednesday	2.30 P.M
20 th AGM – 2011	September 29, 2011	Thursday	2.30 P.M

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

- 18th AGM - None
- 19th AGM - To approve the terms of remuneration of Shri V.D. Bajaj, Executive Director for the period from 1st April, 2010 to 8th January 2011
- 20th AGM - To approve the terms and conditions of remuneration of Shri P.S. Maharaj, Executive Director w.e.f. 16th December 2010 for the period of 3 years

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. Notes 47 of the Annual Accounts contain the details of related party transactions.
- The Company has complied with all the mandatory requirements prescribed under Clause 49 of the Listing Agreement. Regarding non – mandatory requirements:
 - Remuneration Committee has been constituted to approve remuneration of Executive Director.
 - The Board members are having adequate experience and expertise to deal with business matters.
 - The Company has not established whistle blower policy.

10) Means of Communication

- Quarterly results are published in newspaper viz. Financial Express and vernacular newspaper Financial Express at Ahmedabad. The annual report is also posted to every shareholder of the Company.

- The Company's website at www.ramanewsprint.com is regularly updated with financial results and any Official news releases are given directly to the press.

- Management Discussion and Analysis forms a part of this Annual Report, which is also being posted to all the Shareholders of the Company.

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.

- Financial Calendar (Tentative)

Adoption of Quarterly Financial Results:

Quarter ending June 2012	: Second week of July 2012
Quarter ending Sept. 2012	: Second week of November 2012
Quarter ending Dec. 2012	: Second week of February 2013
Quarter ending March 2013	: Last week of May 2013
Annual General Meeting 2012-2013	: September 2013

12) Dates of Book Closure

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

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

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

Stock Market price data for the year ended 31st March 2012

Month	B S E		Sensex	
	High (₹)	Low (₹)	High	Low
April, 2011	19.70	17.50	19,811.14	18,976.19
May, 2011	18.00	15.05	19,253.87	17,786.13
June, 2011	16.90	14.50	18,873.39	17,314.38
July, 2011	15.90	14.30	19,131.70	18,131.86
August, 2011	15.05	10.27	18,440.07	15,765.53
September, 2011	12.89	10.82	17,211.80	15,801.01
October, 2011	15.25	10.15	17,908.13	15,745.43
November, 2011	13.00	8.90	17,702.26	15,478.69
December, 2011	10.20	7.20	17,003.71	15,135.86
January, 2012	11.59	7.41	17,258.97	15,358.02
February, 2012	10.48	8.75	18,523.78	17,061.55
March, 2012	9.60	7.63	18,040.69	16,920.61



14) Stock Codes & ISIN No.

Bombay Stock Exchange Ltd.: 500356

National Stock Exchange of India Ltd.: RAMANEWS

ISIN of the Company: INE278B01020

15) Share Transfer Agent

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

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

16.1) Share Transfer System

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

16.2) Investor Grievance Redressal System

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

All investor complaints, which cannot be settled at the level of the Company Secretary or the Share Transfer Registrars, are forwarded to the Shareholders/ Investors Grievance Committee for final settlement. During the year under review the Company received 86 complaints from Shareholders and same were attended.

17) Distribution of Shareholding as on 31st March 2012

No. of Shares	No. of Shareholders	No. of Shares
Upto 500	96740	7241398
501 – 1000	2595	2135084
1001 – 2000	1431	2153371
2001 – 3000	526	1344537
3001 – 4000	235	850525
4001 – 5000	246	1171136
5001 – 10000	363	2753743
10001 and above	291	40508238
Total	102427	58158032

18) Pattern of Shareholding as on 31st March 2012

Category	No. of shares held	Percentage of shareholding
Promoters	30145801	51.83
Mutual Funds & UTI	60000	0.10
Banks, Financial Institutions	20125	0.03
Foreign Institutional Investors	67996	0.12
Foreign Mutual Funds	12300	0.02
Others		
a) Private Corporate Bodies	5597007	09.63
b) Indian Public	21545730	37.05
c) NRIs / OCBs	435331	0.75
d) Others	273742	0.47
Total	58158032	100.00

19) Dematerialization of Shares

As on 31st March 2012, 55355287 shares of the Company representing 95.18% of total paid-up share capital were held in dematerialized form and the balance 2802745 shares representing 4.82% 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.

CHANDERMUKHI BUILDING, 8TH FLOOR,
'B' BLOCK, R GOENKA MARG,
NARIMAN POINT, MUMBAI- 400 021.
TEL NO. – 22821025 FAX NO. – 22821083
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.

P.S. Maharaj
Executive Director

Dated : 29th May, 2012



ANNEXURE -III

MANAGEMENT'S DISCUSSION & ANALYSIS

Paper Industry Outlook

Paper industry in India is one of the 35 high priority industries and is an integral part of the nation's economy and contributes to its growth and development. It currently has a turn over of over ₹ 30,000 crs and contributes over ₹ 3,000 crs to national exchequer. The domestic demand for all varieties of paper in India is estimated at around 11.6 million tones per year and with an annual growth rate of about 6.8% is likely to cross 20 million tonnes by 2020. The projected GDP growth rate in India coupled with the continued thrust on universal education by the government through 'Sarva Shiksha Abhiyan' and "Right to Education" augurs well for the future growth of Indian paper industry. The existing low base of per capita consumption of paper in India as compared to other developing economies is another indicator of a sustainable future growth potential.

Newsprint Industry

As per CRISIL estimates the demand for newsprint is expected to grow by about 9-10% CAGR from 2.1 million tonnes in 2011-12 to about 3.4 million tonnes in 2016-17. The growth in print media particularly in vernacular editions, and the increasing level of population as well as literacy in the country, continue to be the major growth drivers for the demand of newsprint in India. With the existing domestic capacity being only about 40-45% of the demand, there is enough scope of future expansion and growth for newsprint manufacturers in India.

COMPANY'S PERFORMANCE & OUTLOOK

This has been discussed in length in Director's Report.

SWOT Analysis

Strengths

- 1) Strategic location of the plant, good proximity to both market for its finished product and source of its raw material i.e. wastepaper and chemicals.
- 2) Customer' appreciation of company's products.
- 3) Countrywide customer base and Dealer / Distributor network.
- 4) Swing facility on the Paper Machine to produce Newsprint and Writing & Printing grades of paper as the market situation may demand.
- 5) About 400 acres of land available with the Company sufficient enough for any future expansion and growth.
- 6) Support from the group companies : The company can count on the support from group companies as and when needed.

Weakness

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

However, company's products both Newsprint Paper and Writing Printing Paper are well accepted in the market place due to continuous Research & Development and Technological improvement which have helped the company to improve the quality of its products.

Opportunities

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

Threats

- 1) The Company imports about 30% of the raw material, which is prone to the foreign exchange fluctuations.
- 2) The Company is susceptible to cyclicality in International newsprint market and the availability & prices of recycled fibre across the globe.

Internal Control Systems & its Adequacy

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

Human Resources

The paper industry in India faces a dearth of talented and experienced manpower. The management believes that human resources is the key to success of any organization. Therefore the Company accords due emphasis and thrust on developing and nurturing its human resource including organizing various training programs to improve their productivity. Safety, health and welfare of the employees have all along remained the concern of the Management. The Company continues its efforts for improving the quality of education in schools within its vicinity and imparts regular health check-up facilities for all employees including community in the nearby villages.

Cautionary Statement

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

AUDITORS' REPORT

ANNUAL REPORT 2011 - 2012

To
The Members of
Rama Newsprint and Papers Limited

1. We have audited the attached Balance Sheet of Rama Newsprint and Papers Limited ('the Company') as at March 31, 2012 and the Statement of Profit and Loss and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, (as amended), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the paragraph 3 above, we report that:
 - i. 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;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, except that the Company has recognised Deferred Tax Assets (DTA) amounting to ₹ 11,103.48 lac in the absence of convincing evidences to support virtual certainty about the future taxable income against which such DTA can be realized. The said amount includes a sum of ₹ 8,393.86 lac pertaining to the periods prior to April 1, 2011 which has been credited to accumulated deficit under the head 'Reserves and Surplus' apart from ₹ 2,709.62 lac credited to

Statement of Profit and Loss for the year under audit. This has resulted into overstatement of profit for the year after extraordinary items by ₹ 2,709.62 lac and overstatement of Reserves and Surplus and Deferred Tax Assets by ₹ 11,103.48 lac.

- v. On the basis of the written representations received from the directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- vi. Without qualifying our opinion, we draw attention to:
 - 1) Write back of Contingency Reserve amounting to ₹ 11,765.48 lac, which represents the remission granted by CDR members in earlier years. The said remission amount has been credited to Statement of Profit and Loss during the year and has been disclosed as an extraordinary item, in accordance with Accounting Standard (AS) 5 'Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies' as explained in detail in Note No. 36.
 - 2) Cenvat receivable amounting to ₹ 2,614.19 lac shown under the head 'Current Assets' as explained in Note No. 39.
- i. Subject to our observation in paragraph 4 (iv) above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Haribhakti & Co.
Chartered Accountants
FRN No.103523W

Rakesh Rathi
Partner
Membership No. 045228

Place : Mumbai
Date: 29th May, 2012

ANNEXURE TO AUDITORS' REPORT



ANNEXURE :

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of Rama Newsprint and Papers Limited on the financial statements for the year ended March 31, 2012]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the fixed assets have not been physically verified by the management during the year, but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper record of inventories and no material discrepancies were noticed on physical verification carried out at the end of the year.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions stated in paragraph 4 (iii) (b), (c) and (d) of the order are not applicable.
- (b) The Company had taken unsecured loan from a company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 1,597.59 lac and the year-end balance of loan taken from such company was ₹ 1,150.00 lac.
- (c) In our opinion, the rate of interest and other terms and conditions for such loan are not, prima facie, prejudicial to the interest of the Company.
- (d) In respect of the aforesaid loans, the Company is regular in repaying the principal amounts as stipulated above. However, the Company is not regular in payment of interest, wherever applicable.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered into the register maintained under Section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of ₹ five lac have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year-end for a period of more than six months from the date they became payable.

ANNEXURE TO AUDITORS' REPORT

ANNUAL REPORT 2011 - 2012

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

(₹ in lacs)

Name of the statute	Nature of dues	Amount	Period to which the amount relates	Forum where dispute is pending
Excise / Customs Act	Duty demanded on waste	169.20	Various years	Dy. Commissioner of Central Excise, Surat
Bombay Stamp Act	Stamp Duty and registration fees including penalty	130.75		Judge (Senior Division) Surat Civil Court

- (x) The accumulated losses of the Company are more than fifty percent of its net worth. Further, the Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has defaulted, as mentioned hereunder, in repayment of dues to a financial institution / bank:

(₹ in lacs)

Sr. No.	Particulars	Name of the Bank	Due Date	Period	Amount
1	Principal	ARCIL	February 15, 2012	November to January, 2012	47.61
2	Premium/ Interest	ARCIL	February 15, 2012	November to January, 2012	4.76
3		ICICI	January 31, 2012 to March 31, 2012	January to March, 2012	546.40

- (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 & 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 a nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xv) In our opinion and 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 during the year.

(xvi) In our opinion, the term loans have been applied for the purpose for which the loans were raised.

(xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds amounting to ₹ 2,349.21 lac raised on short-term basis have been used for long-term investment.

(xviii) According to the information and explanation given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.

(xix) According to the information and explanations given to us, no debentures have been issued by the Company during the year.

(xx) The Company has not raised money by way of public issue during the year.

(xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For Haribhakti & Co.
Chartered Accountants
FRN No.: 103523W

Rakesh Rathi
Partner
Membership No.: 045228

Place : Mumbai
Date: 29th May, 2012

**AUDITORS' CERTIFICATE ON
CORPORATE GOVERNANCE**



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

**The Members of
Rama Newsprint and Papers Limited**

We have examined the compliance of conditions of Corporate Governance by Rama Newsprint and Papers Limited, for the year ended on 31st March, 2012, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For Haribhakti & Co.
Chartered Accountants
FRN No.: 103523W

Rakesh Rathi
Partner
Membership No.: 045228

Place : Mumbai
Date: 29th May, 2012

BALANCE SHEET**ANNUAL REPORT
2011 - 2012****BALANCE SHEET AS AT 31ST MARCH, 2012**

	Note	31st March, 2012 (₹ in lacs)	31st March, 2011 (₹ in lacs)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	5,815.80	5,815.80
Reserves and Surplus	2	5,138.91	2,297.73
		<u>10,954.71</u>	<u>8,113.53</u>
Non-Current Liabilities			
Long-Term Borrowings	3	17,159.36	14,021.14
Other Long Term Liabilities	4	139.37	158.37
Long-Term Provisions	5	230.35	189.02
		<u>17,529.08</u>	<u>14,368.53</u>
Current Liabilities			
Short-Term Borrowings	6	10,021.43	8,897.58
Trade Payables	7	10,835.62	8,806.37
Other Current Liabilities	8	2,887.18	3,268.14
Short-Term Provisions	9	250.61	203.50
		<u>23,994.84</u>	<u>21,175.59</u>
		<u>52,478.63</u>	<u>43,657.65</u>
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	27,276.46	30,826.51
Capital Work In Progress	11	421.05	177.14
Non-Current Investments	12	1.63	1.63
Deferred Tax Asset (Net)	44	11,103.48	-
Long-Term Loans & Advances	13	545.37	506.98
Other Non-Current Assets	14	515.21	-
		<u>39,863.20</u>	<u>31,512.26</u>
Current Assets			
Inventories	15	4,961.19	3,713.12
Trade Receivables	16	4,534.76	5,437.88
Cash & Cash Equivalents	17	120.58	127.93
Short-Term Loans & Advances	18	2,882.16	2,770.07
Other Current Assets	19	116.74	96.39
		<u>12,615.43</u>	<u>12,145.39</u>
		<u>52,478.63</u>	<u>43,657.65</u>

The Notes referred to above forms an Integral Part of the Balance Sheet

As per our attached report of even date
For HARIBHAKTI & CO.
Chartered Accountants
FRN NO.103523W

RAKESH RATHI
Partner
Membership No.045228

Place: Mumbai
Date : 29th May, 2012

Girish Sharma
Sr. V. P. (F & A) & Company Secretary

Ashok Kapur

K. L. Chandak

Sudarshan Somani

P. S. Maharaj

Directors

STATEMENT OF PROFIT AND LOSS



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

	Note	Year ended 31st March, 2012 (₹ in lacs)	Year ended 31st March, 2011 (₹ in lacs)
INCOME			
Revenue from Operations (Gross)	20	35,281.31	32,136.41
Less: Excise Duty		(83.35)	(104.32)
Revenue from Operations (Net)		35,197.96	32,032.09
Other Income	21	327.61	44.24
TOTAL		35,525.57	32,076.33
EXPENSES			
Cost of Materials Consumed	22	23,706.66	20,643.56
Changes in Inventories of Finished Goods and Work-in-Progress	23	(742.54)	2,060.29
Employees Benefits Expenses	24	1,428.01	1,488.18
Finance Cost	25	5,055.05	3,733.72
Exchange Fluctuation (Net)		466.80	(195.76)
Depreciation	10	3,465.56	3,485.14
Other Expenses	26	10,408.33	8,721.92
TOTAL		43,787.87	39,937.05
Profit/(Loss) before exceptional, extraordinary items and tax		(8,262.30)	(7,860.72)
Exceptional Items		-	-
Profit/(Loss) before extraordinary items and tax		(8,262.30)	(7,860.72)
Extraordinary Items (Refer Note No. 36)		11,765.48	-
Profit/(Loss) before Tax		3,503.18	(7,860.72)
Tax Expense:			
- Current Tax		-	-
- Deferred Tax (Refer Note No.44)		2,709.62	(6,168.20)
Profit/(Loss) for the period		6,212.80	(14,028.92)
Basic Earnings Per Equity Share (Nominal value ₹ 10 each)			
- Basic and Diluted before Extraordinary Items		(9.55)	(24.12)
- Basic and Diluted after Extraordinary Items		10.68	(24.12)

The Notes referred to above forms an Integral Part of Statement of Profit and Loss

As per our attached report of even date
For HARIBHAKTI & CO.
Chartered Accountants
FRN NO.103523W

RAKESH RATHI
Partner
Membership No.045228

Place: Mumbai
Date : 29th May, 2012

Girish Sharma
Sr. V. P. (F & A) & Company Secretary

Ashok Kapur

K. L. Chandak

Sudarshan Somani

P. S. Maharaj

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Directors

NOTES

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NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET & STATEMENT OF PROFIT AND LOSS

	<u>31st March, 2012</u> (₹ in lacs)	<u>31st March, 2011</u> (₹ in lacs)
NOTE 1		
SHARE CAPITAL		
<u>Authorised:</u>		
23,30,00,000 Equity Shares of ₹ 10/- each (previous year 23,30,00,000)	<u>23,300.00</u>	<u>23,300.00</u>
<u>Issued, Subscribed & Paidup:</u>		
5,81,58,032 Equity Shares (previous year 5,81,58,032) of ₹ 10/- each fully paid-up	<u>5,815.80</u>	<u>5,815.80</u>
a) Reconciliation of Shares Outstanding during the year No Shares have been issued or bought back during the current and previous years.		
b) Terms/Rights attached to Equity Shares The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by shareholders.		
c) Shareholder holding more than 5% of shares		
	As at 31 March 2012	
Name of Shareholder	No. of Shares held	% of Holding
West Coast Paper Mills Ltd.	21124791	36.32
	As at 31 March 2011	
	No. of Shares held	% of Holding
	21124791	36.32
d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date During the period of preceding five years the company has not: - allotted any shares without payment being received in cash, - allotted any shares by way of bonus shares and - bought back any shares.		
NOTE 2		
RESERVES & SURPLUS		
Capital Reserve	10,953.86	10,953.86
Contingency Reserve:		
Opening Balance	11,765.48	11,765.48
Less: Transfer to Statement of Profit and Loss (Refer Note No.36)	11,765.48	-
Closing Balance	<u>-</u>	<u>11,765.48</u>
Surplus/(Deficit) in Profit and Loss:		
Opening Balance	(20,421.61)	(6,392.69)
Add:Deferred Tax Asset - earlier years (Refer Note No. 44)	8,393.86	-
Add:Profit(Loss) for the Current Year	6,212.80	(14,028.92)
Closing Balance	<u>(5,814.95)</u>	<u>(20,421.61)</u>
	<u>5,138.91</u>	<u>2,297.73</u>
NOTE 3		
LONG TERM BORROWINGS		
<u>Secured</u>		
Rupee Term Loans from:		
Banks		
- ICICI Bank	8,938.51	-
- Axis Bank	-	2,250.00
- Bank of India	-	5,457.70
Other Parties		
- ARCIL	-	142.84
- L.I.C	-	401.45
	<u>8,938.51</u>	<u>8,251.99</u>

NOTES



	<u>31st March, 2012</u> (₹ in lacs)	<u>31st March, 2011</u> (₹ in lacs)
Working Capital Term Loan from :		
Banks		
- ICICI Bank	7,000.00	-
- Bank of India	-	1,328.85
- Oriental Bank of Commerce	-	1,237.50
- Central Bank of India	-	1,046.00
- Axis Bank	-	529.00
	<u>7,000.00</u>	<u>4,141.35</u>
1) The Term Loan and Working Capital Term Loan are secured by first charge ranking pari passu on all immovable properties of the company, both present and future and hypothecation of all Company's moveable 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.		
2) The Rupee Term Loan and Working Capital Term Loan from ICICI Bank are to be repaid in thirty two/ sixteen quarterly installments respectively commencing from 31.07.2013.		
3) Interest on Term Loan and Working Capital Term Loan on ICICI Bank is in arrears since 31.01.2012 aggregating to ₹ 546.40 lac.		
<u>Unsecured</u>		
Interest Free Sales Tax Loan from Government of Gujarat (Refer Note No. 37)	1,220.85	1,627.80
	<u>1,220.85</u>	<u>1,627.80</u>
	<u>17,159.36</u>	<u>14,021.14</u>
NOTE 4		
<u>OTHER LONG TERM LIABILITIES</u>		
Trade Deposits	139.37	158.37
	<u>139.37</u>	<u>158.37</u>
NOTE 5		
<u>LONG TERM PROVISIONS</u>		
Provision for Employee Benefits (Refer Note No. 29)	230.35	189.02
	<u>230.35</u>	<u>189.02</u>
NOTE 6		
<u>SHORT TERM BORROWINGS</u>		
<u>Secured</u>		
Cash Credit from Banks	8,521.43	7,009.27
Cash Credit (repayable on demand) is secured by hypothecation of the Company's stock of finished goods, stock in process, raw materials, stores and spares, book debts, etc. and by a second charge created on all immovable properties of the company, present and future.		
<u>Unsecured</u>		
Inter Corporate Deposits:		
- From Related Parties	1,150.00	1,388.31
- From Others	350.00	500.00
	<u>10,021.43</u>	<u>8,897.58</u>
Interest on ICD amounting to ₹ 23.40 lac is in arrears since 31.03.2011 and ₹ 35.15 lac is in arrears since 31.03.2012.		
NOTE 7		
<u>TRADE PAYABLE</u>		
Acceptances	5,500.34	6,080.89
Sundry Creditors :		
- Due to MSME	-	-
- Others	5,335.28	2,725.48
	<u>10,835.62</u>	<u>8,806.37</u>

NOTES

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	<u>31st March, 2012</u> (₹ in lacs)	<u>31st March, 2011</u> (₹ in lacs)
NOTE 8		
OTHER CURRENT LIABILITIES		
Current Maturities		
- Term Loan from ARCIL	142.84	190.45
- Interest Free Sales Tax Loan from Government of Gujarat	406.95	406.95
Lease Rent accrued and due	204.14	204.14
Interest accrued but not due on borrowings	0.19	-
Interest accrued and due on borrowings	604.95	203.67
Other Liabilities	<u>1,528.11</u>	<u>2,262.93</u>
	<u>2,887.18</u>	<u>3,268.14</u>

Term Loan from ARCIL includes ₹ 47.61 lac due since 15.02.2012

Other liabilities include ₹ 4.76 lac towards premium on term loan from ARCIL due since 15.02.2012

NOTE 9

SHORT TERM PROVISIONS

Provision for Employee Benefits (Refer Note No. 29)	214.32	167.21
Others		
- Lease Rent accrued but not due	<u>36.29</u>	<u>36.29</u>
	<u>250.61</u>	<u>203.50</u>

NOTE 10

TANGIBLE ASSETS

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1.4.2011	Addition during the Period	Deduction/ adjustment during the Period	As at 31.03.2012	As at 1.4.2011	Depreciation for the Period	Deduction during the Period	Total As At 31.03.2012	As at 31.03.2012	As at 31.03.2011
Freehold Land	201.86	-	-	201.86	-	-	-	-	201.86	201.86
Buildings	10044.98	-	111.12	9933.86	3423.36	262.11	18.09	3667.38	6266.48	6621.61
Plant & Machinery	60294.17	1.56	-	60295.73	36426.16	3183.58	-	39609.74	20685.99	23868.01
Furniture & Fittings	364.09	3.09	10.09	357.09	302.00	18.23	9.44	310.79	46.30	62.10
Office Equipment	266.56	4.54	-	271.10	209.06	-2.20	-	206.86	64.24	57.51
Vehicles	45.86	-	-	45.86	30.43	3.84	-	34.27	11.59	15.42
Total	71217.52	9.19	121.21	71105.50	40391.01	3465.56	27.53	43829.04	27276.46	30826.51
Previous Year	71154.88	62.64	-	71217.52	36905.87	3485.14	-	40391.00	30826.51	34249.01

NOTE 11

CAPITAL WORK IN PROGRESS

Plant and Machinery	421.05	177.14
	<u>421.05</u>	<u>177.14</u>

NOTE 12

NON-CURRENT INVESTMENTS

Investments in Equity Instruments:

Trade Investments

QUOTED: EQUITY SHARES

50 Equity Shares of ₹ 10/-each of the Andhra Pradesh Paper Mills Ltd.	0.08	0.08
03 Equity Shares of ₹ 10/-each of the Bengal & Assam Co. Ltd.	0.03	0.03
1000 Equity Shares of ₹ 1/- each of Orient Paper Mills Ltd.	0.24	0.24
250 Equity Shares of ₹ 2/- each of West Coast Paper Mills Ltd.	0.02	0.02
165 Equity Shares of ₹ 10/- each of Shree Vindhya Paper Mills Ltd.	0.13	0.13
50 Equity Shares of ₹ 10/- each of Nath Pulp & Paper Mills Ltd.	0.04	0.04
500 Equity Shares of ₹ 10/- each of Pudumjee Pulp & Paper Mills Ltd.	0.15	0.15
300 Equity Shares of ₹ 2/- each of Ballarpur Industries Ltd.	0.29	0.29
100 Equity Shares of ₹ 10/- each of Sirpur Paper Mills Ltd.	0.07	0.07
50 Equity Shares of ₹ 10/- each of Rohit Pulp & Paper Mills Ltd.	0.06	0.06
180 Equity Shares of ₹ 10/-each of J.K.Lakshmi Cement Ltd.	0.31	0.31
100 Equity Shares of ₹ 10/-each of Mysore Paper Mills Ltd.	0.01	0.01
600 Equity Shares of ₹ 10/-each of Tamilnadu Newsprint and Papers Ltd.	0.18	0.18
	<u>1.61</u>	<u>1.61</u>

UNQUOTED: EQUITY SHARES

100 Equity Shares of ₹ 10/-each of Titagur Paper Mills Ltd.	0.02	0.02
	<u>1.63</u>	<u>1.63</u>

Note:

Market value of Quoted investments as on 31st March, 2012 is ₹ 1.71 Lac

(As on 31st March, 2011 - ₹ 2.27 lac)

No. of Instruments are same as compared to previous year

NOTES



	<u>31st March, 2012</u> (₹ in lacs)	<u>31st March, 2011</u> (₹ in lacs)
NOTE 13		
LONG TERM LOANS & ADVANCES		
(Unsecured, Considered Good, Unless otherwise stated)		
Capital Advance	33.00	-
Security Deposits	<u>512.37</u>	<u>506.98</u>
	<u>545.37</u>	<u>506.98</u>
NOTE 14		
OTHER NON - CURRENT ASSETS		
Fixed Deposit (Under Lein of Banks)	<u>515.21</u>	-
	<u>515.21</u>	-
NOTE 15		
INVENTORIES		
(As taken, valued and certified by Management)		
Raw Materials (including goods in transit ₹ 209.35 lac previous year ₹ 224.24 lac)	1,664.87	1,517.09
Coal	296.38	153.96
Chemicals	289.64	244.61
Stores & Spares	1,952.93	1,782.63
Stock-in-Process	154.52	14.83
Finished Goods	<u>602.85</u>	-
	<u>4,961.19</u>	<u>3,713.12</u>
NOTE 16		
TRADE RECEIVABLES		
(Unsecured, Considered Good, Unless otherwise stated)		
Outstanding for a period exceeding six months from the date they are due for payment	203.26	184.19
Others	<u>4,331.50</u>	<u>5,253.69</u>
	<u>4,534.76</u>	<u>5,437.88</u>
NOTE 17		
CASH AND CASH EQUIVALENTS		
Cash on hand	4.87	4.22
Balances with Banks:		
- Current Accounts	4.58	24.99
- Margin/Deposit accounts (against LC/Bank Guarantee)	<u>111.13</u>	<u>98.72</u>
	<u>120.58</u>	<u>127.93</u>
NOTE 18		
SHORT TERM LOANS & ADVANCES		
(Unsecured, Considered Good, Unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received	21.46	34.32
Balances with Excise and Sales Tax Authorities	2,811.98	2,697.53
Income Tax Deducted at Source	<u>48.72</u>	<u>38.22</u>
	<u>2,882.16</u>	<u>2,770.07</u>
NOTE 19		
OTHER CURRENT ASSETS		
(Unsecured, Considered Good, Unless otherwise stated)		
Interest Receivable	43.54	9.79
Export Incentive & Duty Draw Back Receivable	48.93	86.60
Deferred Premium on Forward Contract	<u>24.27</u>	-
	<u>116.74</u>	<u>96.39</u>

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	<u>Year ended 31st March, 2012 (₹ in lacs)</u>	<u>Year ended 31st March, 2011 (₹ in lacs)</u>
NOTE 20		
<u>REVENUE FROM OPERATIONS (GROSS)</u>		
Sale of Products		
-Finished Goods	34,943.38	31,877.39
Other Operating Revenue		
-Export Incentives	64.64	48.13
-Scrap	161.92	150.73
-Interest	55.64	12.44
-Other	55.73	47.72
	<u>35,281.31</u>	<u>32,136.41</u>
NOTE 21		
<u>OTHER INCOME</u>		
Dividends	0.07	0.03
Profit on Sale of Assets	287.02	-
Rent	40.52	44.21
	<u>327.61</u>	<u>44.24</u>
NOTE 22		
<u>COST OF MATERIAL CONSUMED</u>		
Consumption of Raw Materials	19,494.98	16,438.97
Consumption of Chemicals	2,695.11	2,608.61
Consumption of Stores & Spares	1,516.57	1,595.98
	<u>23,706.66</u>	<u>20,643.56</u>
NOTE 23		
<u>CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS</u>		
Opening Stock :		
Finished Goods	-	1,674.03
Work-in-Progress	14.83	401.09
	<u>14.83</u>	<u>2,075.12</u>
Closing Stock :		
Finished Goods	602.85	-
Work-in-Progress	154.52	14.83
	<u>757.37</u>	<u>14.83</u>
	<u>(742.54)</u>	<u>2,060.29</u>
NOTE 24		
<u>EMPLOYEES BENEFITS EXPENSES</u>		
Salaries, Wages and Allowances	1,181.40	1,282.15
Contribution to Provident & Other Funds	97.18	110.52
Gratuity and Leave Encashment	114.05	62.05
Staff Welfare Expenses	35.38	33.46
	<u>1,428.01</u>	<u>1,488.18</u>
NOTE 25		
<u>FINANCE COST</u>		
Interest Expense	3,988.91	2,897.04
Exchange Fluctuation on F.C. Loans	217.44	2.64
Lease Rent	848.70	834.04
	<u>5,055.05</u>	<u>3,733.72</u>

Interest Expense includes ₹ 500.29 Lac towards one time processing fee for new loans.

NOTES



	<u>Year ended 31st March, 2012 (₹ in lacs)</u>	<u>Year ended 31st March, 2011 (₹ in lacs)</u>
NOTE 26		
<u>OTHER EXPENSES</u>		
Power and Fuel	7,228.39	5,455.26
Water Charges	427.99	391.45
Repairs and Maintenance:		
- Buildings	0.56	0.05
- Plant & Machinery	175.84	171.04
- Others	<u>56.16</u>	<u>56.35</u>
Insurance	66.95	51.44
Raw Material Handling and Operation Charges	502.79	546.10
Rent	227.54	153.84
Rates and Taxes	36.63	21.57
Excise Duty and Cess	59.98	104.57
Director's Sitting Fees	1.04	1.64
Legal and Professional Charges	80.78	103.42
Payment to Auditors:		
- Audit Fees	3.75	3.75
- Taxation Matters	2.01	2.01
- Reimbursement of Expenses	1.00	0.19
- Other Capacity	<u>6.40</u>	<u>3.14</u>
Premium on Redemption of Debentures	1.06	3.44
Selling Expenses	248.45	223.32
Commission on Sales	550.26	596.34
Discounts	180.04	139.57
Sundry Expenses	<u>550.71</u>	<u>693.43</u>
	<u>10,408.33</u>	<u>8,721.92</u>

27. As notified by Ministry of Corporate Affairs, Revised Schedule VI under the Companies Act, 1956 is applicable to the financial statements for the financial year commencing on or after 1st April, 2011. Accordingly, the financial statements for the period ended 31st March, 2012 are prepared in accordance with the revised Schedule VI. The amounts and disclosures included in the financial statements of the previous year have been reclassified to confirm to the requirements of revised Schedule VI.

28. Significant Accounting Policies

a) 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).

b) 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 Year. Differences between actual results and estimates are recognized in the Year in which the results are known / materialize.

c) 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.

d) 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.

e) 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 year of time to get ready for intended use. All other borrowing costs are charged to the revenue.

f) Depreciation:

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

g) 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 Statement of Profit & Loss Account. The gain or loss on translation of such loan liabilities at the year-end is adjusted in the Statement of 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 Statement of 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 Statement of Profit & loss account.

h) Taxation:

Income-tax expense comprises current tax (i.e. amount of tax for the Year 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 Year)

i) Current Tax:

Provision for current tax is made on the basis of estimated taxable income for the accounting year in accordance with the Income Tax Act, 1961.

ii) Deferred Taxation:

In compliance with Accounting Standard – 22 issued by the Institute of Chartered Accountants of India, The deferred tax charge or credit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets, subject to the consideration of prudence, are recognized and carried forward only to the extent that there is reasonable certainty that the sufficient future taxable income will be available against which such deferred tax can be realized. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realizations of the assets.

i) Inventories:

Inventories are valued at cost or net realizable value whichever is lower. The costs for the purpose of valuation are determined as under:

--Finished goods and Stock-in-process	:	Manufacturing cost
--Raw materials & others	:	Weighted Average cost
--Coal & Chemicals	:	FIFO

j) Investments:

Investments are classified into Non-Current investments and current investments. Non-Current investments are valued at cost. Provision for diminution in value of Non-Current investments is made if in the opinion of management such a decline is other than temporary and Current investments are valued at cost or market/fair value, whichever is lower.

NOTES



k) **Research & Development Expenditure:**

Revenue expenditure on research & development is charged to Statement of Profit and Loss account and capital expenditure is added to the cost of fixed assets in the year in which it is incurred.

l) **Preliminary and Issue Expenses:**

Preliminary and share/debenture issue expenses are amortized over a period of ten years.

m) **Bad debts/ advances** are written off in the year in which they become irrecoverable.

n) **Contingent Liabilities** are shown by way of notes.

o) **Employee Benefits**

Contributions to defined contribution schemes such as provident fund etc. are charged to Statement of Profit and Loss 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 Statement of Profit and Loss based on valuations, as at the balance sheet date, conducted by independent actuaries.

29. 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 Statement of Profit and Loss.

Sr. No.		Year ended 31.03.2012 (₹ in lacs)	Year ended 31.03.2011 (₹ in lacs)
(i)	Contribution to Provident Fund	95.93	109.23
(ii)	Contribution to Employee's State Insurance Scheme	1.25	1.29
Total		97.18	110.52

B. **Defined Benefit Plans**

a. **Gratuity**

b. **Leave Encashment**

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

	Year ended 31.03.2012 (₹ in lacs)	Year ended 31.03.2011 (₹ in lacs)
Gratuity		
Changes in present value of Obligation		
(a) Present value of Obligation as at 1st April	194.35	176.48
(b) Interest Cost	16.18	14.67
(c) Past Service Cost	-	-
(d) Current Service Cost	21.42	19.50
(e) Benefits Paid	(39.18)	(36.40)
(f) Actuarial (Gains)/Loss	26.36	20.10
(g) Present value of obligation as at 31 st March	219.13	194.35
Amount recognized in the Balance Sheet		
(a) Present value of obligation as at 31 st March	219.13	194.35
(b) Fair value of plan assets as at 31 st March	-	-

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	Year ended 31.03.2012 (₹ in lacs)	Year ended 31.03.2011 (₹ in lacs)
(c) (Asset)/Liability recognized in the Balance Sheet		
- Non-Current Liability	172.59	155.16
- Current Liability	46.54	39.19
Expenses recognized in Statement of Profit and Loss		
(a) Current Service Cost	21.42	19.50
(b) Past Service Cost	-	-
(c) Interest Cost	16.18	14.67
(d) Curtailment Cost/(Credit)	-	-
(e) Settlement Cost/(Credit)	-	-
(f) Net Actuarial (Gain)/Loss	26.36	20.10
(g) Employer's Contribution		
(h) Total Expenses recognized in Statement of Profit and Loss	63.96	54.27
Details of Assumption		
(a) Discounted Rate	8.75%	8.25%
(b) Salary Escalation	4.50%	4.50%
(c) Attrition Rate	2.00%	2.00%
	Leave Encashment	
Changes in present value of Obligation		
(a) Present value of Obligation as at 1st April	62.60	79.44
(b) Interest Cost	5.16	6.55
(c) Past Service Cost	-	-
(d) Current Service Cost	13.27	12.74
(e) Benefits Paid	(28.75)	(18.69)
(f) Actuarial (Gains)/Loss	31.65	(17.44)
(g) Present value of obligation as at 31 st March	83.94	62.60
Amount recognized in the Balance Sheet		
(a) Present value of obligation as at 31 st March	83.94	62.60
(b) Fair value of plan assets as at 31 st March	-	-
(c) (Asset)/Liability recognized in the Balance Sheet		
- Non-Current Liability	57.76	33.86
- Current Liability	26.18	28.74
Expenses recognized in Statement of Profit and Loss		
(a) Current Service Cost	13.27	12.74
(b) Past Service Cost	-	-
(c) Interest Cost	5.16	6.55
(d) Curtailment Cost/(Credit)	-	-
(e) Settlement Cost/(Credit)	-	-
(f) Net Actuarial (Gain)/Loss	31.65	(17.44)
(g) Employer's Contribution	-	-
(h) Total Expenses recognized in Statement of Profit and Loss	50.08	1.85
Details of Assumption		
(a) Discounted Rate	8.75%	8.25%
(b) Salary Escalation	4.50%	4.50%
(c) Attrition Rate	2.00%	2.00%

30. Claims against the Company not acknowledged as debts ₹1921.71 Lac (as on 31.03.2011 ₹ 1,620.93 Lac).

31. Estimated amount of contracts remaining to be executed on Capital Account (Net of Advance) ₹100.24 lac (as on 31.03.2011 NIL).

32. Unexpired Letter of Credits established in respect of Plant & Machinery, Raw Materials and Stores & Spares ₹ 4,720.64 Lac (as on 31.03.2011 ₹ 6,349.24 Lac)

NOTES



33. Bank guarantees issued by banks is 412.78 Lac (as on 31.03.2011 ₹ 223.17 Lac).
34. Arrears of dividend on Cumulative Preference Shares from 15th April 1998 to 15th Dec. 2001 aggregate ₹ 2,069.95 Lac.
35. In Respect of Plant & Machinery taken on lease during financial year 1996-97 & 1997- 98, the future minimum lease rent payable is as under:

(₹ in Lacs)

	As at 31.03.2012	As at 31.03.2011
Not later than one year	414.90	833.23
Later than one year and not later than five years	-	414.90
Later than five years	-	-
Total	414.90	1,248.13

36. The Company had created Contingency Reserve representing the remission granted by CDR members (except those with whom one time settlement was made) in principal loan amount under the CDR scheme on 27th September, 2003. As per the terms of the said CDR scheme the remission granted by the CDR members could be retrospectively revoked on certain events of default. As the company has repaid dues of all the CDR members, except Arcil and there being no events of default, the said Contingency Reserve amounting to ₹ 11765.48 Lac is credited to Statement of Profit and Loss.
37. Interest free Loan under Sales Tax deferral scheme from Government of Gujarat is repayable in Six equal annual installments of ₹ 406.95 Lac starting from 31.05.2010.
38. In respect of Sundry Creditors which are Micro, Small & Medium Enterprises, the company has not availed credit facility beyond 45 days. There is no outstanding payable to Micro, Small & Medium Enterprises as on the date of Balance Sheet.
No interest is outstanding to any Small Scale or Ancillary Unit as on 31st March, 2012, under the provisions of Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertaking Act, 1993.
39. Balance with Excise Department being Cenvat Credit receivable (₹ 2614.19 lac) is realizable within one year subject to adequate excise duty leviable on the finished goods i.e. newsprint and writing & printing paper to be produced.
40. Break-up of consumption of imported and indigenous raw materials, chemicals and stores and spares:

	Year ended 31.03.2012		Year ended 31.03.2011	
	Value (₹ In lacs)	%	Value (₹ In lacs)	%
Indigenous	16,579.13	69.93	15,241.68	73.83
Imported	7,127.53	30.07	5,401.88	26.17
Total	23,706.66	100.00	20,643.56	100.00

- 41 Value of Imports calculated on C.I.F. basis:

	Year ended 31.03.2012 (₹ In Lacs)	Year ended 31.03.2011 (₹ In Lacs)
a) Capital Goods	-	-
b) Raw Materials & Chemicals	5,646.62	3,366.99
c) Spare Parts and Components	524.64	322.74
Total	6,171.26	3,689.73

42. Expenditure in Foreign Currency:

	Year ended 31.03.2012 (₹ In Lacs)	Year ended 31.03.2011 (₹ In Lacs)
a) Traveling Expenses	-	0.63
b) Foreign Technicians Fees	-	-
c) Interest on FCNR Loans	172.03	74.48
d) Others	-	-
Total	172.03	75.11

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43. Earnings in Foreign Exchange:

	Year ended 31.03.2012 (₹ In Lacs)	Year ended 31.03.2011 (₹ In Lacs)
Export of goods calculated on F.O.B basis	604.61	605.40

44. The Company had recognized Deferred Tax Asset in earlier years pursuant to Accounting Standard 22. However, in view of the loss incurred by the Company and as a matter of prudence, the Deferred Tax Asset outstanding as on 31-03-2010 was written-off during 2010-11.

The Company has now decided to again recognize Deferred Tax Asset as on 31-03-2012, since the management strongly believes that under the improved market scenario coupled with the decisions to infuse fresh funds and leveraging of all surplus assets, there is a virtual certainty about the availability of future taxable income and such Deferred Tax Asset would be realized.

	As at 31.3.2011	For the year ended 31.03.2012	As at 31.03.2012
a) Deferred Tax Liability on account of:			
Depreciation	7236.39	(703.73)	6532.66
b) Deferred Tax Assets on account of:			
Unabsorbed Depreciation	12680.91	278.05	12958.96
Unabsorbed Business Loss	2868.13	1709.91	4578.04
Provision for Retirement Benefits	81.21	17.93	99.14
Sub-Total	15630.25	2005.89	17636.14
Net Deferred Tax Asset (a-b)	8393.86	2709.62	11103.48

45. Earnings per share:

	Year ended 31.03.2012	Year ended 31.03.2011
a) Net Profit / (Loss) before extraordinary items (₹ in lacs)	(5552.68)	(14028.92)
b) Net Profit / (Loss) after extraordinary items (₹ in lacs)	6212.80	(14028.92)
c) Weighted average number of equity shares of ₹10 each outstanding during the year (No. of shares)	58158032	58158032
d) Basic/Diluted Earnings per Share before extraordinary items (₹)	(9.55)	(24.12)
e) Basic/Diluted Earnings per Share after extraordinary items (₹)	10.68	(24.12)

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

47. Related Party Disclosures:

i) Related Party Relationship :

a) Enterprises who exercise control	The West Coast Paper Mills Ltd.
b) Key Management Personnel	Shri P.S.Maharaj – Executive Director
c) Enterprises owned or significantly influenced by Relatives of Key Management Personnel	-

Note: In respect of above parties, there is no provision for doubtful debts as on 31st March,2012 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:

(₹ in Lacs)

Type of Related Party	Nature of the transaction	Year ended 31.03.2012	Outstanding as at 31.03.2012		Year ended 31.03.11	Outstanding as at 31.03.11	
			Receivable	Payable		Receivable	Payable
Enterprises who exercise control (The West Coast Paper Mills Ltd.) *	Rent Paid	0.30	-	-	1.20	-	-
	ICD taken	399.28	-	-	1688.31	-	-
	ICD repaid	637.59	-	1150.00	300.00	-	1388.31
	Interest on ICD	145.72	-	0.05	98.61	-	37.67
	Security deposit given	2.00	2.00	-	2.00	2.00	-
Key Management Personnel (Shri P.S.Maharaj)	Managerial Remuneration Paid	25.69	-	-	69.88	-	-

* Further disclosure in conformity with clause 32 of listing agreement the maximum amount outstanding of said loan was ₹ 1,597.59 Lac during the year.

NOTES



48. Particulars of Derivative Instruments:

(a) Derivative Instruments acquired for hedging purpose.

	As at 31.03.2012	As at 31.03.2011
USD(In Lacs)	79.21	-
Equivalent to Rupees (₹ In Lacs)	4,207.83	-

(b) No Derivative Instruments are acquired for speculation purpose.

(c) Foreign currency exposures that are not hedged by the derivative instruments or otherwise are:

	As at 31.03.2012	As at 31.03.2011
USD(In Lacs)	50.12	89.58
Equivalent to Rupees (₹ In Lacs)	2,573.46	4,014.00

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

Place: Mumbai
Date : 29th May, 2012

Girish Sharma
Sr. V. P. (F & A) & Company Secretary

Ashok Kapur	}	Directors
K. L. Chandak		
Sudarshan Somani		
P. S. Maharaj		

CASH FLOW STATEMENT

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012 (Pursuant to clause 32 of the listing agreements with Stock exchanges)

	Year ended 31st March, 2012 ₹ in Lacs	Year ended 31st March, 2011 ₹ in Lacs
A Cash Flow from Operating Activities		
Net Profit before Taxation	3,503.18	(7,860.72)
Adjustments for:		
Depreciation	3,465.56	3,485.14
Interest & Lease Rent	5,055.05	3,733.72
Other Income (Dividend)	(0.07)	(0.03)
Profit on Sale of Fixed Assets	(287.02)	-
Operating Profit / (Loss) before working capital changes	11,736.70	7,218.83
(Increase)/Decrease in Inventory	(1,248.07)	3,303.16
(Increase)/Decrease in Debtors	903.12	(1,315.10)
(Increase)/Decrease in Loans and Advances	(150.48)	176.50
(Increase)/Decrease in Other Current Assets	(535.56)	(22.04)
Increase/(Decrease) in Trade payable	2,029.25	917.65
Increase/(Decrease) in Liabilities	(399.96)	1,369.87
Increase/(Decrease) in Provision	88.44	1.03
Cash Generated from Operations	12,423.44	3,789.18
Extraordinary Item	(11,765.48)	-
Net Cash from Operating Activities	657.96	3,789.18
B Cash Flow from Investing Activities		
Purchase of Fixed Assets	(9.19)	(62.63)
(Increase)/Decrease in Capital Work-in-Progress	(243.91)	(0.61)
Sale of Fixed Assets	380.70	-
Dividend Received	0.07	0.03
Net Cash from/(used in) Investing Activities	127.67	(63.21)
C Cash Flow from Financing Activities		
Proceeds from Short Term Borrowings	1,123.85	(350.75)
Proceeds from Long Term Borrowings	3,138.22	-
Repayment of Borrowings	-	384.72
Payment of Interest and Lease Rent	(5,055.05)	(3,733.72)
Net Cash Used in Financing Activities	(792.98)	(3,699.75)
D Net Change in Cash & Cash Equivalents (A+B+C)	(7.35)	26.22
E Cash & Cash Equivalents (Opening Balance)	127.93	101.71
F Cash & Cash Equivalents (Closing Balance)	120.58	127.93

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

As per our attached report of even date
For HARIBHAKTI & CO.
Chartered Accountants
FRN NO.103523W

RAKESH RATHI
Partner
Membership No.045228

Place: Mumbai
Date : 29th May, 2012

Girish Sharma
Sr. V. P. (F & A) & Company Secretary

Ashok Kapur

K. L. Chandak

Sudarshan Somani

P. S. Maharaj

}

Directors

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 21st ANNUAL GENERAL MEETING of the Company to be held on
Saturday , 22nd September 2012 at 2:30 p.m. at the Registered office of the Company, and at any adjournment thereof.

Signed this _____ day of _____ 2012
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)

Fullnameofthememberattending _____ 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 21st ANNUAL GENERAL MEETING of the Company held on Saturday, 22nd September 2012 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 handing over this slip)



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