



15<sup>th</sup>  
ANNUAL  
REPORT  
2010

**NEERAJ PAPER MARKETING LIMITED**

## **MANAGEMENT**

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### **BOARD OF DIRECTORS**

#### **CHAIRMAN**

Shri Deepak Goel

#### **DIRECTORS**

Shri Praveen Kumar Goel

Shri Amit Agarwal

Shri Shubhakar Pathak

#### **COMPANY SECRETARY**

Shri Pranab Kumar Roy

#### **AUDITORS**

**M/s Goel Singhal & Associates**

**Chartered Accountants**

**Muzaffarnagar**

#### **BANKERS**

Bank of Maharashtra

Rohini, Sectors-11

New Delhi

#### **REGD. OFFICE**

301, Agarwal City Mall, Road No. 44

Opp M2K Cinema, Pitampura, Delhi-110 034

#### **REGISTRAR & SHARE TRANSFER AGENT**

Beetal Financial & Computer Services Ltd.

Beetal House, 3<sup>rd</sup> Floor, 99, Madangir

Near Dada Harsukhdas Mandir

New Delhi-110 062

## **NOTICE**

Notice is hereby given that the 15<sup>th</sup> Annual General Meeting of the Shareholders of the Company will be held on Monday, 27<sup>th</sup> September, 2010 at Bipin Chandra Pal Memorial Bhavan, A-81, Chittaranjan Park, New Delhi-110019 at 11.00 A.M. to transact the following Businesses:

### **ORDINARY BUSINESS:**

1. To consider and adopt the Audited Balance Sheet as on 31.03.2010 and the Profit & Loss Account for the year ended 31.03.2010 together with the Reports of Directors & Auditors thereon.
2. To appoint a Director in place of Sh. Praveen Kumar Goel, who retires by rotation at this meeting in pursuant of Section 256 of the Companies Act, 1956, being eligible, offer himself for reappointment.
3. To appoint Auditors for the Current Year and to fix their remuneration.

### **SPECIAL BUSINESS:**

To consider and, if thought fit, to pass, with or without the following resolution as a Special Resolution (through Postal Ballot):

RESOLVED THAT pursuant to the provisions of Section 372A and all other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors of the Company to give guarantee in connection with cash credit facility of Rs. 7.50 crore and LC of Rs. 7.50 crore availed by Satyavan Sales Promotion Pvt. Ltd. granted by Bank of Maharashtra, Rohini even if such guarantee exceeds the ceiling prescribed under section 372A of the Act i.e. over and above 60% of the company's paid up share capital and free reserves or 100% of the company's free reserves, whichever is more.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on the behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this Resolution.

### **EXPLANATORY STATEMENT:**

Pursuant to Section 372A of the Act, the company can make loan, give guarantee, provide securities to and make investment in the securities of other Bodies Corporate to the extent of 60% of its paid up share capital and free reserves or 100% of its free reserves, whichever is higher with the approval of Board of Directors, where the aggregate of loan and investment made, guarantee given and securities provided exceed the aforesaid limit prior approval of the shareholders is required by way of a Special Resolution.

However, Board may give guarantee without being previously authorized by Special Resolution subject to conditions that Board Resolution is confirmed by Special Resolution within 12 months or forthcoming Annual General Meeting, whichever is earlier.

Board of Directors, in their meeting held on 15.02.2010 has provided guarantee, to Bank of Maharashtra, Rohini in respect of facility availed by Satyavan Sales Promotion Pvt. Ltd..

Mr. Amrish Goel, Practising Charter Accountants, Partner, Goel and Singhal Associates, Muzaffarnagar was appointed as scrutinize for conducting the Postal Ballot process in a fair and transparent manner and in accordance with the provisions of the Act and the rules framed. He has submitted this report on 26.07.2010. The result was announced in board meeting held on 30.07.2010 by the chairman of the company.

<b>S. NO.</b>	<b>Particulars</b>	<b>No. of Shareholders</b>	<b>Total No. of Shares</b>	<b>% of Votes</b>
1	Total number of Postal Ballot Forms dispatched to all the shareholders of the Company till 20.06.2010	2686	3142900	100
2	Total number of Postal Ballot Forms received from the shareholders of the company till 20.07.2010 in respect of the above Resolutions	231	795500	25.31
3	Total number of Postal Ballot Forms not sent back by shareholders to the company till 20.07.2010 in respect of the above Resolutions	2455	2347400	74.69
4	Total number of Postal Ballot Forms found invalid	4	1000	.03
5	Total number of Postal Ballot Forms found valid in respect of above Resolutions	227	794500	25.18
6	Total number of votes cast in favour of the Resolution	210	791300	25.17
7	Total number of votes cast against the Resolution	17	3200	.10

Except Directors of the company who are directors in Body Corporate described herein above, no other directors of the company is concerned or interested in the said resolution.

By Order of the Board  
For NEERAJ PAPER MARKETING LIMITED

Sd/-  
PRANAB KUMAR ROY  
(COMPANY SECRETARY)

DATED: 1<sup>st</sup> September, 2010  
PLACE: DELHI

**NOTES:**

1. A MEMBER OF THE COMPANY ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY TO VOTE ON HIS BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD BE LODGED WITHIN THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME FIXED FOR THE COMMENCEMENT OF THE MEETING.
2. Members may please bring their copies of the Annual Report at the meeting.
3. Members/Proxies should bring the attendance slip, duly filled in, for attending the meeting.
4. The Register of Members and Share Transfer Registers will remain closed from Tuesday 21.09.2010 to Monday 27.09.2010 (Both days inclusive).
5. Members are requested to notify to the Company any change in their address quoting ledger folio number.
6. Members intending to require information about Accounts to be explained in the meeting are requested to inform the company at least seven days in advance of Annual General Meeting.

## **DIRECTORS REPORT**

Dear Members,

Your directors have pleasure in presenting you their 15<sup>th</sup> Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March 2010.

The working of the company during the year under review has been highlighted below:

### **1. FINANCIAL RESULTS:**

	CURRENT YEAR 31.03.2010	(Rs. in Lacs) PREVIOUS YEAR 31.03.2009
Net Sale/Income from Operations	3580.25	218.63
Other Income	5.23	0.23
Total Expenditure	3474.59	186.27
Gross Profit Before		
Finance Charges & Depreciation	110.89	32.59
Finance Charges	65.57	12.80
Depreciation	9.35	9.56
Profit Before Tax	35.97	10.23
Income tax Refund	-	-
Provision for Taxation		
-Current Tax	11.62	3.51
-Provision for taxation written back	-	-
-Fringe Benefit Tax	-	0.87
-Deferred Tax	(0.04)	(0.54)
Profit After Tax	24.39	6.39
Paid-Up Share Capital	314.29	314.29
Reserve & Surplus	104.14	79.75
Book Value per share	13.31	12.54

### **2. PROGRESS & PROSPECT:**

The progress & prospect performance of the company is tremendous, as it has achieved a Net Sales/Income from Operations of Rs. 3580.25 Lacs during the current year, an increase of 1538% compared to last year. The Net Profit (Before Tax) of the Company is Rs 35.97 Lacs, which is an increase of 251.61% compared to Last year.

During the year, the company has also started the trading of steel along with the trading of paper by which the company diversified its business.

### **3. DIVIDEND**

No Dividend is recommended for the year under review.

### **4. AUDITORS:**

M/s Goel Singhal & Associates, Chartered Accountants, Muzaffarnagar retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

### **5. AUDITORS REPORT:**

The notes to the accounts referred to in Auditors Report are self explanatory and, therefore, do not call for any further explanation Under Section 217(3) of the Companies Act, 1956.

### **6. DIRECTORS:**

In accordance with the provisions of Companies Act, 1956 and Articles of Association of the Company, Sh. Praveen Kumar Goel, Director of the Company retire by rotation at this meeting and being eligible offer himself for re-appointment.

### **7. DEPOSITS:**

The Company has not accepted any deposits from the public within the meaning of section 58-A of the Companies Act, 1956 and rules framed thereunder.

### **8. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT**

As required under clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion and Analysis Report forms part of this report and is annexed herewith

**9. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

(i) That in the preparation of the accounts for the financial year ended 31st March, 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures;

ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;

(iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) That the Directors have prepared the accounts for the financial year ended 31st March, 2010 on a 'going concern' basis.

**10. PARTICULARS OF EMPLOYEES:**

During the year, there has been no employee in receipt of remuneration in excess of the amount mentioned under section 217(2A) of the Companies Act, 1956.

**11. AUDIT COMMITTEE:**

The Board of the Company has constituted an Audit Committee consisting of three directors viz: Shri Deepak Goel, Shri Amit Agarwal and Shri Shubhakar Pathak. Shri Shubhakar Pathak is the Chairman of the Audit committee.

Further, the terms of reference stipulated by the Board to the audit committee include as below:

- to review the Company's financial reporting process and its financial statements,
- to review the accounting and financial policies,
- to review the efficacy of the internal control mechanism and monitor risk management,
- to review the reports furnished by internal and statutory auditors and ensure that suitable follow up & action is taken,
- to examine accountancy, taxation and disclosure aspects of all significant transaction.

**12. CORPORATE GOVERNANCE** - Particulars & Disclosers attached.

**13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION:**

The Company being engaged in trading activities only, the requirements for disclosure of particulars with respect to Conservation of energy & Technology absorption are not applicable to the company.

**14. FOREIGN EXCHANGE:**

During the year under review, the company has not used or earned any foreign exchange.

**15. ACKNOWLEDGEMENT:**

Your Directors place on record their sincere appreciation of services rendered by employees of the Company. They are grateful to the Banks for their continued support in success of the business of the Company.

On behalf of the Board  
For **NEERAJ PAPER MARKETING LIMITED**

Sd/-  
**DEEPAK GOEL**  
(CHAIRMAN)

**DATED: 1<sup>st</sup> September, 2010**  
**PLACE: DELHI**

## ***Annexure to Directors Report***

### **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

#### **INDUSTRY STRUCTURE AND DEVELOPMENT**

The paper Industry plays a very crucial role in the economy and has a direct linkage with socio-economic development of the country. India paper industry has come long way since 1832 when the first mill was set up in West Bengal. This capital-intensive industry has had a chequered growth path and has maintained its steady progress. Today the Indian Industry is among the top 15 global players, with an output of more than 8 Million Tonne annually, and estimated turnover of about Rs. 17000.00 crores, employing around 4-5 lakhs people directly and also providing livelihood to more than 35-40 lakhs people indirectly. It also contributes more than Rs. 2500.00 crores annually to the exchequer by way of various duties and taxes. Indian paper market is expected to grow at about 6% p.a. till 2020

#### **OPPORTUNITIES AND THREATS**

The demand of paper is multiplying with increasing population, adoption of latest technologies and increasing advertisement in various sectors. All this has always shown an upward trend in the requirement of paper, which our company is taking maximum advantage of and is trading more & more products and varieties in order to cater the needs of the industry as well as the consumers.

Considering the fast pace of growth rate in the paper sector, the company looks forward to build up a good distribution network and tap the uncovered areas.

#### **SEGMENT -WISE /PRODUCT WISE PERFORMANCE**

Till 31.03.2010, company was engaged only in trading of paper, so segment wise/ product wise performance is not applicable to the company.

#### **OUTLOOK**

With the growing demand both in the domestic market and international market for the Indian products the company looks forward to expand its trading activities and to cover up the untapped areas. For the purpose, it has been decided that a marketing strategy of the company may be evolved that shall work towards other areas of business which can fetch good returns.

#### **RISKS AND CONCERNS**

An integrated risk management process is being adopted by the company that works towards the evaluation of the associated business risk and enables the company to survive in the competitive environment.

#### **INTERNAL CONTROL SYSTEM AND ADEQUACY**

The internal control system of the company is commensurate to the size of its business. The system ensures compliance with the respective laws & regulations, proper and adequate financial reporting at all the levels of the organization.

The Audit Committee of the company also reviews the internal control system prevalent at each level of the organization and passes on its recommendation to the management in respect of the areas, which requires the correction.

#### **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The financial and operative performance is already elaborated in Directors Report.

#### **HUMAN RESOURCES**

The human resource department of the company continuously works on the development of the employees at various levels. The HR department makes sure that the employee morale and dedication remains high and that they contribute their fullest and best to the organization. The recreational activities like seminars/vacations are planned for the employees at regular intervals

#### **CAUTIONARY STATEMENT**

Statements in the Management Discussion and Analysis and in the Directors' Report, describing the company's objectives, projections and estimates, contain words or phrases such as "will", "plan" and similar expressions or variations of such expressions that are forward looking and progressive within the meaning of applicable laws and regulations. Actual results may vary materially from those expressed or implied by the forward looking statements due to risks or uncertainties associated therewith depending upon economic conditions, government policies and other incidental factors. Readers are cautioned not to place undue reliance on these forward-looking statements.

# CORPORATE GOVERNANCE REPORT

## COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The company has been following the business practices based on the Corporate Governance Philosophy, which is based on fair and prudent principles. Your company has been continuously making efforts to institutionalize sound governance practices that are acceptable and for the benefit of the shareholder/ creditors/ other dealing authorities.

## BOARD OF DIRECTORS

The Board of Directors of the company review the strategic policies and confirm that they are implemented in the manner that is acceptable in terms of the regulations of the country and enhances the shareholder's value and the confidence of the outside parties relating to the company.

The agenda papers for the meetings of the Board of Directors are circulated to Board members within the reasonable time period.

### A) Composition of the Board & their Responsibility

As on 31<sup>st</sup> March, 2010 the Board consists of 4 Directors, of whom two are Non-Executive Directors. The directors bring to the board wide range of experience and skills. The category, composition, attendance of each director at the Board Meeting, Last Annual General Meeting and the number of other directorship and chairmanship/ Membership of committees of each Director in various companies as on 31<sup>st</sup> March, 2010 is given hereunder.

#### Chairman

Mr Deepak Goel (Executive)

#### Executive Director

Mr. Praveen Kumar Goel

#### Non Executive Director

Mr. Amit Agarwal

Mr. Shubhankar Pathak (Non executive Independent Director)

Name of Director	Attendance Particulars		No. of Other Directorships/ Committee Memberships/Chairmanships in all Cos.		
	Board Meetings	AGM	Other Directorship	Committee Members	Chairmanships
Mr. Deepak Goel	8	Present	-	-	-
Mr. Praveen Goel	8	Present	-	-	-
Mr. Amit Agarwal	6	Present	-	-	-
Mr. Shubhakar Pathak	5	Present	-	-	-

#### Note:

- Board of director of company comprises of 4 directors out of which 2 are executive and other 2 are non executive one of whom is non executive independent Director.
- Number of other directorships/ committee membership/ chairmanship indicated above is exclusive of directorships, committee membership and chairmanship in NPML and on the Board of Private Limited Companies and non-body corporate institutions

### B) Non executive directors' compensation and disclosures

No compensation is being paid to non-executive Director

### C) No. of Board Meetings Held and Dates

During the financial year 2009-10, the Board of Neeraj Paper Marketing Limited had met 8 times. The dates of the meeting are 13.04.2009, 1.05.2009, 30.06.2009, 30.07.2009, 01.09.2009, 31.10.2009, 30.01.2010, 15.02.2010

### D) CODE OF CONDUCT

Declaration of the Chairman in respect of compliance of the code of conduct forms part of the Annual report.



## COMMITTEES OF THE BOARD OF DIRECTORS

The Board has constituted the following Committees:

1. Audit Committee
2. Shareholders Grievance & Transfer Committee

### AUDIT COMMITTEE

As on 31<sup>st</sup> March, 2010, the Audit Committee of the company comprises of Mr. Deepak Goel (Executive Director), Mr. Amit Agarwal (Non-Executive Director) and Mr. Shubhakar Pathak, Chairman (Non-Executive independent Director). The quorum, scope etc. of the Audit Committee is in line with the provisions of Section 292A of the Companies Act, 1956 and provisions of Listing Agreement.

**The Powers and the role of the Audit Committee are as per the guidelines provided in the revised clause 49 of the Listing agreement which inter-alias include the overview of Company's Financial reporting process, review of quarterly, half yearly and Annual financial statements, adequacy of internal control, review of related party transactions etc.**

#### **A) Composition**

As on 31<sup>st</sup> March, 2010, the Audit Committee comprised of the following members:

1. Mr. Shubkhar pathak, Non-Executive Independent Director -Chairman
2. Mr. Amit Agarwal, Non-Executive Director -Member
3. Mr. Deepak Goel, Executive Director -Member

**The Auditors of the company are also invited in the Audit Committee Meeting but they have no right to vote.**

#### **B) Meetings and Attendance:**

During the financial year ended 31st March, 2010 the audit committee has met 4 times: 30.06.2009 30.07.2009, 31.10.2009 and 30.01.2010

**Attendance of the Directors at the Audit Committee as on 31<sup>st</sup> March, 2010 is as follows:**

Director	Category	No. of Meetings Held	
		Held	Attended
Mr. Shubhakar Pathak	<b>Chairman</b>	4	4
Mr. Deepak Goel	<b>Member</b>	4	4
Mr Amit Agarwal	<b>Member</b>	4	3

#### **C) Role of Audit committee**

The role of the audit committee includes of the following:

- It shall have authority to investigate any matter in relation to the items specified in section 292A of the Companies Act, 1956 or referred to it by the Board and for this purpose, shall have full access to information contained in the records of the Company and external professional advice, if necessary.
- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.
- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- Reviewing with management the annual financial statements before submissions to the Board, focusing primarily on:
  - Any changes in accounting policies and practices.
  - Major accounting entries based on exercise of judgment by management.
  - Qualifications in draft audit report.
  - Significant adjustments arising out of audit.
  - The going concern assumption.
  - Compliance with accounting standards.
  - Compliance with stock exchange and legal requirements concerning financial statements.

- Any related party transactions i.e., transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of company at large.
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussions with internal auditors any significant findings and follow up thereon.
- Reviewing the findings of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussions with external auditors before the audit commences, nature and scope of audit as well as to have post-audit discussion to ascertain any area of concern.
- Reviewing the company's financial and risk management policies.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- It shall have discussions with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review the quarterly half-yearly and annual financial statements before submissions to the Board.
- It shall ensure compliance of internal control systems.
- The Chairman of the Audit Committee shall attend the Annual General Meetings of the company to provide any clarification on matters relating to audit sought by the members of the company

#### **SHAREHOLDERS GRIEVANCE & TRANSFER COMMITTEE**

As on 31<sup>st</sup> March, 2010, the Shareholder Grievance & Transfer Committee of the company comprises of Mr. Amit Agarwal (Non-Executive Director) - Chairman, Mr. Deepak Goel (Executive Director) - Member. The committee meets at regular intervals to specifically look into the redressing of the Shareholder/ Investor complaints like non-receipt of share certificate after transfer, non-receipt of Annual Report, and to approve the share transfer. The Board has designated the company secretary of the company as the compliance officer. The number of complaints received from the shareholders during the last financial year were NIL and the number of pending complaints as on 31<sup>st</sup> March, 2010 against the Company were NIL.

## DISCLOSURES

### A) Basis of related party transactions

A. Name of related party and nature of the related party relationship

- i) Associated companies: ---
- ii) Director & Their Relative

Sh.Deepak Goel	Director
Sh.Praveen Kumar Goel	Director
Sh.Amit Agarwal	Director

B. Transaction with Related Parties:

During the year no transactions were carried out with the related parties in the ordinary course of business. However remuneration were paid to Executive Directors amounting to Rs. 7,20,000

### B) Risk Assessment & Minimization Procedure

As per the revised clause 49 of Listing Agreement, the company has established the appropriate risk assessment & minimization procedure. Details about the risk management policy forms part of Management Discussion and Analysis Report.

### (C) Remuneration of Directors

Total remuneration paid to Executive Directors is Rs. 7.20 Lakh for financial year 2009-2010. No remuneration is paid to Non Executive Director.

### (D) Management

As required under clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion and Analysis Report forms part of this report and is annexed herewith

### (E) Details of non-compliance by the company, penalties imposed on the company by stock exchange or SEBI or any statutory authority, on any matter related to the capital market, during the last 3 years.

No penalties have been imposed on the company by the Stock Exchange or SEBI or any other statutory authority or any other matter related to capital market during the last three years.

The audit committee provides access to all the personnel who are associated/ involved in the matters, which are placed before the committee meetings for discussion.

### (F) GENERAL INFORMATION FOR SHAREHOLDERS

**GENERAL BODY MEETINGS: Location and time, where last three AGM's held:**

AGM	DATE	LOCATION	TIME	SPECIAL RESOLUTION PASSED IN AGM
14 <sup>th</sup> AGM	30.09.09	Sebal Hall (Opp Honda city showroom) Main Mathura Road, Badarpur, Delhi-44	11.AM	-
13 <sup>th</sup> AGM	30.09.08	Sebal Hall (Opp Honda city showroom) Main Mathura Road, Badarpur, Delhi-44	11.AM	-
12 <sup>th</sup> AGM	29.09.07	Sebal Hall (Opp Honda city showroom) Main Mathura Road, Badarpur, Delhi-44	11.AM	-

<b><u>Registered office</u></b>	301, Aggarwal City Mall, road no. 44, Opp M2K Cinema, Pitampura, Delhi-110034
<b><u>Annual General Meeting</u></b>	
Date	27 <sup>th</sup> September, 2010
Time	11.00 A.M
Venue	Bipin Chandra Pal Memorial Bhavan, A-81, Chittranjan Park, New Delhi-110019
<b><u>Adoption of financial results</u></b>	
30 <sup>th</sup> June, 2009	30 <sup>th</sup> July, 2009
30 <sup>th</sup> September, 2009	30 <sup>th</sup> October, 2009
31 <sup>st</sup> December, 2009	30 <sup>th</sup> January, 2010
31 <sup>st</sup> March, 2010	30 <sup>th</sup> June, 2010
<b><u>Date of Book Closure</u></b>	From 21 <sup>st</sup> September, 2010 to 27 <sup>th</sup> September, 2010 (both days inclusive)
<b><u>Dividend payment date</u></b>	Not applicable
<b><u>Listing of shares</u></b>	The shares of the company are listed on the Delhi Stock Exchange, Jaipur Stock Exchange and Ahmedabad Stock Exchange.
<b><u>Stock Code</u></b>	ISIN No – INE894J01019

#### MEANS OF COMMUNICATION

The quarterly results as per the format prescribed by the Stock Exchange are published in the Veer Arjun and Pioneer. Further these results are also submitted to all the Stock Exchanges where the Company's shares are listed.

#### Registrar & Share Transfer Agent

M/s Beetal Financial and Computer Services Pvt Limited,  
Beetal House, 3<sup>rd</sup> Floor, 99, Madangir,  
Behind Local Shopping Center,  
Near Dada Harsukhdas Mandir, New Delhi- 110 062

#### Share Transfer System

Both the physical transfer and Demating of the shares are handled by Registrar & Share Transfer agent M/s Beetal Financial and Computer Services Private Limited. To expedite the share transfer a separate committee of the Directors is meeting at regular interval to approve the share transfer. Hence shares are normally transferred within 15 days. In terms of the requirement of SEBI directives the company is providing the facility of transfer and dematerialization of securities simultaneously

#### Distribution of Shareholding

The Distribution of the shareholding of the equity shares as on 31<sup>st</sup> March, 2010 are as follows:

No of Equity shares held	No. of shareholders	% of share holders	Total number of shares	% of share holding
1 – 5000	2066	76.92	764100	24.3119
5001 - 10000	234	8.71	197600	6.2872
10001 - 20000	218	8.12	361400	11.4989
20001 – 30000	54	2.01	133400	4.2445
30001 – 40000	23	.86	83700	2.6631
40001 – 50000	28	1.04	122000	3.8818
50001-100000	30	1.12	227700	7.2448
100001 & above	33	1.23	1253000	39.8676
<b>Total</b>	<b>2686</b>	<b>100</b>	<b>3142900</b>	<b>100</b>

### Categories of Shareholders as on 31<sup>st</sup> March, 2010

Category	Total no of shares	% of shareholding
Promoters/Relatives/Promoters Companies	1063400	33.835
Financial Institutions/ Banks	-	-
FII's	-	-
Mutual Funds	-	-
Private Corporate bodies	101600	3.233
Indian Public	1977900	62.932
NRI/ OCBs	-	-
Others	-	-
<b>Total</b>	<b>3142900</b>	<b>100</b>

### Dematerialization of shares and Liquidity

The trading of the shares of the company is permitted in dematerialization form as per the notification issued by SEBI. The company has entered into agreement with NSDL and CDSL for giving effect to the same.

### Outstanding GDR/ ADRs/ Warrants/ Options

Not applicable

### Address for Correspondence

For share certificate, change of address and any other query relating to the shares	M/s Beetal Financial and Computer Services Pvt Ltd; Beetal House, 3 <sup>rd</sup> Floor, 99, Madangir, Behind Local Shopping Center, Near Dada Harsukhdas Mandir, New Delhi- 110 062
For Investor Assistance	Mr. Pranab Kumar Roy, Company Secretary 301, Aggarwal City Mall, road no. 44, Opp M2K Cinema, Pitampura, Delhi-110034

### CEO/CFO CERTIFICATION

As required by the revised clause 49 of the Listing Agreement, the certificate duly signed by Mr. Deepak Goel, Chairman placed before the Board of Directors at their meeting held on 30<sup>th</sup> June, 2010.

*Note: a. The Non – mandatory clauses of the Listing Agreement are not adopted by the company.  
b. The Corporate Governance report is as on 31<sup>st</sup> March, 2010*

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## **CERTIFICATION UNDER CLAUSE 49(V) OF THE LISTING AGREEMENT**

**We have examined the conditions as stipulated in clause 49 V of the Listing Agreement and certify as under:**

- (a) That we have reviewed the financial statements and the cash flow statement for the year ending 31<sup>st</sup> March, 2010 and that to the best of their knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) That to the best of our knowledge and belief, there are no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
- (c) That we accept responsibility for establishing and maintaining internal controls and that we had evaluated the effectiveness of the internal control systems of the company and had suggested some steps to increase the effectiveness of the same.
- (d) That we had indicated to the auditors and the Audit committee –
  - (i) The significant deficiencies in the design or operation of internal controls, which we are aware and have taken steps to rectify these deficiencies;
  - (ii) Significant changes in internal control over financial reporting during the year;
  - (iii) Significant changes in accounting Policies during the year
  - (iv) Any fraud, which we have become aware of and that involves management or other employees who have a significant role in the company's internal control systems over financial reporting.

**We further declare that all board members and senior management have affirmed compliance with the code of conduct for the current year.**

**NEERAJ PAPER MARKETING LIMITED**

**DATED: 30<sup>th</sup> June, 2010  
PLACE: DELHI**

**Sd/-  
DEEPAK GOEL  
(CHAIRMAN)**

### **DECLARATION BY THE CHAIRMAN ON THE COMPLIANCE OF THE CODE OF CONDUCT AS LAID DOWN BY THE BOARD OF DIRECTORS OF THE COMPANY**

I, DEEPAK GOEL, Chairman of Neeraj Paper Marketing Limited hereby certify that the Directors and members of senior management have affirmed the compliance with the code of conduct.

The above submission is based on the declarations as received from the members to whom the code applies and also on the basis of the submission of the compliance officer to the code.

**FOR NEERAJ PAPER MARKETING LIMITED**

**Sd/-  
DEEPAK GOEL  
(CHAIRMAN)**

**DATED: 30<sup>th</sup> June, 2010  
PLACE: DELHI**

## **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of **Neeraj Paper Marketing Limited**

We have examined the compliance of the conditions of Corporate Governance by NEERAJ PAPER MARKETING LIMITED during the year ended 31<sup>st</sup> March, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance as laid down in the Guidance note on certification on Corporate Governance as per Clause 49 of the Listing Agreement issued by Institute of Chartered Accountant of India (ICAI). It is neither an audit nor an expression of opinion on the financial statement of the company.

We have conducted our review on the basis of the relevant records and documents as maintained and the information and explanation given to us by the company, the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that in respect of investor grievances, no complaints were received during the year ended 31<sup>st</sup> March, 2010

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

**For GOEL& SINGHAL ASSOCIATES  
CHARTERED ACCOUNTANT**

**Sd/-**

**(AMRISH KUMAR)  
PARTNER**

**DATED: 30<sup>th</sup> June, 2010  
PLACE: DELHI**

## AUDITOR'S REPORT

To  
The Members,  
NEERAJ PAPER MARKETING LIMITED  
DELHI

We have audited the attached Balance Sheet of **M/s NEERAJ PAPER MARKETING LIMITED, DELHI** as at 31st March,2010, and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Management of the Company. Our responsibility is to express our opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan & 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) order,2003, as amended by Companies(Auditor's Report)(Amendment) Order 2004, issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act,1956, and on the basis of such checks as we considered appropriate & according to the information and explanations given to us, we set out in the Annexure a statement on the matters specified in paragraph 4 & 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:-

- a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books and proper returns adequate for the purpose of our audit have been received.
- c. The annexed Balance Sheet and Profit & Loss Account and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the Profit & Loss Account, Cash Flow Statement and the Balance Sheet comply with the Accounting Standards referred to in sub-section (3c) of Section 211 of the Companies Act, 1956.
- e. On the basis of written representation received from directors, we report that none of the directors is disqualified as on 31st March,2010 from being appointed as a director in terms of clause (g) of Sub-Section(1) of Section 274 of the Companies Act,1956.
- f. In our opinion and to the best of our information & according to the explanations given to us, the Balance Sheet, Profit and Loss Account and Cash Flow Statement together with the Notes thereon and annexed thereon, give in the prescribed manner the information required by the Act, and also give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) In the case of the Balance Sheet, of the State of Affairs of Company as at 31st March, 2010, and
  - (ii) In the case of Profit and Loss Account of the Profit for the year ended on that date.
  - (iii) In the case of Cash Flow Statement of the Cash Flows of the company for the year ended on that date.

**For GOEL SINGHAL & ASSOCIATES**  
**Chartered Accountants**

**DATED: 30.06.2010**  
**PLACE: DELHI**

**Sd/-**  
**(AMRISH KUMAR)**  
**PARTNER**



**ANNEXURE TO THE AUDITOR'S REPORT**  
(Annexure referred to in Para 3 to our report of even date)

(i) a. The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.  
b. These fixed assets have been physically verified by the management during the year at reasonable intervals and no material discrepancies were noticed on such verification.  
c. The company has not disposed off substantial part of its fixed assets during the year. So there is no any indication to affect the going concern status of the company.

(ii) a. The inventories were physically verified during the year by the management at reasonable intervals.  
b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.  
c. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iii) No loans, secured or unsecured, were granted or taken by the Company to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

(iv) In our opinion and according to the information & explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of Inventory and fixed assets and for the sale of goods and services. During the course of our audit, no weakness has been noticed in the internal controls.

(v) In our opinion and according to the information & explanations given to us, if there any transaction to be entered into the register maintained in pursuance of section 301 of the Companies Act, 1956, have been entered.

(vi) The company has not accepted deposits from public attracting the provisions of section 58-A, 58-AA or any other relevant provision of Companies Act and rules framed there under.

(vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(viii) Since the company is engaged in trading & marketing business so this clause 4(viii) of Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order 2004 is not applicable to the company.

(ix) a. The company is regular during the year 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, custom duty, excise duty, cess and any other statutory dues with the appropriate authorities whatever applicable to it. There is no any amount of the arrears of outstanding dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.

b. There are no any disputed dues of sales tax, income tax, custom duty, wealth tax, service tax, excise duty, cess duty, wherever applicable to it.

(x) The company do not have any accumulated losses nor it has incurred any cash losses in the financial year under our audit and in the immediately preceding this financial year.

(xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institutions or Banks.

(xii) The Company has not given any 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 provision of clause 4(xiii) of the companies (Auditor's Report) order 2003 as amended by the companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the company.

(xiv) The company is not dealing or trading in shares, securities etc. However, the Investment made by the company is in its own name.

(xv) The company has not given any guarantee for loans taken by others from banks or financial institutions.

(xvi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the company has taken term loans for vehicles only during the year and have been utilized for the same purpose for which it was obtained.

(xvii) Based on our examination and in our opinion the funds raised on short term basis have not been used during the year for long term investment (fixed assets etc.).

(xviii) The company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Act.

(xix) There are no debentures issued. So this clause is not applicable to the company.

(xx) The company has not raised any money by public issue during the year.

(xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

**For GOEL SINGHAL & ASSOCIATES**  
**Chartered Accountants**

Sd/-  
(AMRISH KUMAR)  
PARTNER

**DATED: 30.06.2010**  
**PLACE: DELHI**

**BALANCE SHEET AS AT 31.03.2010**

	SCHEDULE No.	FIGURES AS AT 31.03.2010	FIGURES AS AT 31.03.2009
<b>SOURCES OF FUNDS:</b>			
<b>Share Holders Funds:</b>			
Share Capital	1	31429000.00	31429000.00
Reserve & Surplus	2	10414347.13	7974706.15
Deferred Tax	3	191262.00	195455.00
		42034609.13	39599161.15
Secured Loans	4	94923973.93	5540743.00
Unsecured Loans	5	43067433.00	37722716.00
Total Rs.		180026016.06	82862620.15
<b>APPLICATION OF FUNDS:</b>			
Fixed Assets:			
Gross Block		11437894.83	9895905.83
Less: Depreciation	6	5549757.83	4839741.83
Less: Impairment Loss		-	-
		5888137.00	5056164.00
<b>INVESTMENT</b>	7	22400000.00	19900000.00
<b>CURRENT ASSETS, LOANS &amp; ADVANCES:</b>			
Sundry Debtors	8	58676690.00	3165113.27
Cash & Bank Balances	9	3460732.39	1008281.27
Loans & Advances	10	96729083.01	61568759.08
Sub Total Rs.		158866505.40	65742153.62
Less: Current Liabilities & Prov.	11	7330075.34	8114646.47
		151536430.06	57627507.15
Miscellaneous Expenditure (To the extent not written off)	12	201449.00	278949.00
TOTAL Rs.		180026016.06	82862620.15

For Notes refer Schedule-18

For & on behalf of Board

Sd/-  
**DEEPAK GOEL**  
Director

Sd/-  
**PRAVEEN KR. GOEL**  
Director

Sd/-  
**PRANAB KUMAR ROY**  
Company Secretary

As per our report of even Date  
For **GOEL SINGHAL & ASSOCIATES**  
Chartered Accountants

DATED: 30th June, 2010  
PLACE: DELHI

Sd/-  
**(AMRISH KUMAR)**  
PARTNER

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31.03.2010**

	SCHEDULE No.	FIGURES AS AT 31.03.2010	FIGURES AS AT 31.03.2009
<b><u>INCOME:</u></b>			
Turnover	13	358025103.00	21863315.00
Other Income	14	523435.00	22674.00
	TOTAL Rs. `A'	<u>358548538.00</u>	<u>21885989.00</u>
<b><u>EXPENDITURE:</u></b>			
Purchases		341930033.00	13797089.00
Personnel Expenses	15	2185293.00	1769462.00
Adm & Selling Expenses	16	3265781.95	2982728.33
Finance Charges	17	6557325.07	1280144.75
Misc.Exp. Written off	12	77500.00	77500.00
Depreciation	6	935357.00	955680.00
	TOTAL Rs. `B'	<u>354951290.02</u>	<u>20862604.08</u>
Net Profit (A-B)		3597247.98	1023384.92
Provision for Taxation-			
-Current Tax		1161800.00	351396.00
-Fringe Benefit Tax		0.00	86895.00
-Deferred Tax		(4193.00)	(53650.00)
Profit After Tax		<u>2439640.98</u>	<u>638743.92</u>
Less: Expences Relating to Previous Years		0.00	96,600.00
Add: Accumulated Profit		7655657.15	7113513.23
Balance being Profit carried to Balance Sheet		<u>10095298.13</u>	<u>7655657.15</u>

For Notes refer Schedule-18

For & on behalf of Board

Sd/-  
**DEEPAK GOEL**  
Director

Sd/-  
**PRAVEEN KR. GOEL**  
Director

Sd/-  
**PRANAB KUMAR ROY**  
Company Secretary

As per our report of even Date  
For **GOEL SINGHAL & ASSOCIATES**  
Chartered Accountants

**DATED: 30th June, 2010**  
**PLACE: DELHI**

Sd/-  
**(AMRISH KUMAR)**  
PARTNER

## SCHEDULES

	AS AT 31.03.2010	AS AT 31.03.2009
<b>SCHEDULE-1</b>		
<b>SHARE CAPITAL:</b>		
<b>AUTHORISED:</b>		
35,00,000 Equity Shares of Rs. 10/- each.	<u>35000000.00</u>	<u>35000000.00</u>
<b>Issued, Subscribed &amp; Paidup:</b>		
31,42,900 Equity Shares of Rs. 10/- each. (fully called & Paidup)	31429000.00	31429000.00
TOTAL Rs.	<u>31429000.00</u>	<u>31429000.00</u>
<b>SCHEDULE-2</b>		
<b>RESERVES &amp; SURPLUS:</b>		
General Reserve	319049.00	319049.00
P&L Account	10095298.13	7655657.15
TOTAL Rs.	<u>10414347.13</u>	<u>7974706.15</u>
<b>SCHEDULE-3</b>		
<b>DEFERRED TAX:</b>		
Deferred Tax of Previous years	195455.00	249105.00
Add: Deferred Tax generating during the year	-4193.00	-53650.00
TOTAL Rs.	<u>191262.00</u>	<u>195455.00</u>
<b>SCHEDULE-4</b>		
<b>SECURED LOANS:</b>		
(Secured against hypothecation of vehicle and personal guarantee of director )		
<b>WORKING CAPITAL LIMIT :</b>		
-From Bank of Maharashtra (Against Hypothecation of stocks/ book debts & other current assets)	92886009.93	0.00
<b>VEHICLES LOANS :</b>		
-From CITI Corporation (Secured against hypothecation of vehicle and personal guarantee of director of the company )	0.00	50500.00
-From ICICI Bank Limited (Secured against hypothecation of vehicle and personal guarantee of director of the company )	615022.00	5490243.00
-From HDFC Bank Limited (Secured against hypothecation of vehicle and personal guarantee of director of the company )	1422942.00	0.00
TOTAL Rs.	<u>94923973.93</u>	<u>5540743.00</u>
<b>SCHEDULE-5</b>		
<b>UNSECURED LOANS:</b>		
From Intercorporate Deposit	36290000.00	34490000.00
From Others	6777433.00	3232716.00
TOTAL Rs.	<u>43067433.00</u>	<u>37722716.00</u>

**SCHEDULE-6**

Name of Assets	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	Cost As on 01.04.2009	Additions during the Year	Deduction during the Year	Total Cost As on 31.03.2010	Upto 31.03.2009	For the Year	Adjustment during the Year	Total 31.03.2010	Balance As on 31.03.2010	Balance As on 31.03.2009
Office Building	114500.00	270195.00	384695.00	0.00	17214.00	916.00	18130.00	0.00	0.00	97286.00
Office Furniture & Equipments	710043.60	0.00	0.00	710043.60	299799.60	44946.00	0.00	344745.60	365298.00	410244.00
Vehicles	8266510.50	1983705.00	327216.00	9922999.50	3742018.50	888307.00	207211.00	4423114.50	5499885.00	4524492.00
Air Conditioner	25000.00	0.00	0.00	25000.00	859.00	1188.00	0.00	2047.00	22953.00	24141.00
Computer	779851.73	0.00	0.00	779851.73	779850.73	0.00	0.00	779850.73	1.00	1.00
Current Year	9895905.83	2253900.00	711911.00	11437894.83	4839741.83	935357.00	225341.00	5549757.83	5888137.00	5056164.00
Previous Year	10447543.83	276991.00	828629.00	9895905.83	4407494.83	955680.00	523433.00	4839741.83	5056164.00	6040049.00

	AS AT 31.03.2010		AS AT 31.03.2009	
<b>SCHEDULE-7</b>				
<b>INVESTMENTS</b>				
Long Term Investments other than trade in Shares Unquoted & Fully Paid Up (At Cost)	<b>No. of Shares</b>		<b>No. of Shares</b>	
- Bindal Sponge Ltd	1990000	19900000.00	1990000	19900000.00
- Beena Gopal Traders (P) Ltd	200000	1000000.00	-	-
- Swabhiman Vyapar (P) Ltd	500000	1500000.00	-	-
TOTAL Rs.		<u>22400000.00</u>		<u>19900000.00</u>

**SCHEDULE-8**

**SUNDRY DEBTORS:**

(Unsecured but considered good)				
Debts outstanding for a period exceeding six month		4,285,480.00		-
Other Debts		54391210.00		3165113.27
TOTAL Rs.		<u>58676690.00</u>		<u>3165113.27</u>

**SCHEDULE-9**

**CASH & BANK BALANCE:**

Cash in Hand		140515.00		167747.89
<b>Balance with Schedule Bank</b>				
-In Current Account		2927518.39		614714.38
-In Deposit Account		392699.00		225819.00
TOTAL Rs.		<u>3460732.39</u>		<u>1008281.27</u>

**SCHEDULE-10**

**LOANS & ADVANCES:**

(Unsecured but considered good)				
(Advances recoverable in cash or in kind or for value to be received)				
Advance to Suppliers		90677041.95		31154979.64
Security Deposits		452512.00		24452512.00
TDS Receivables & Advance Taxes		3135277.00		1527637.00
Other Advances		2464252.06		4433630.44
TOTAL Rs.		<u>96729083.01</u>		<u>61568759.08</u>

**SCHEDULE-11**

**CURRENT LIABILITIES & PROVISIONS:**

**CURRENT LIABILITIES**

Sundry Creditors		2810079.42		8819530.13
Creditors for Expenses		804324.00		342642.00
Uncleared Cheques		2553871.92		(1485816.66)
<b>PROVISIONS</b>				
Provision for Taxation		1161800.00		351396.00
Provision for Frienge Benefit Tax		-		86895.00
TOTAL Rs.		<u>7330075.34</u>		<u>8114646.47</u>

	AS AT 31.03.2010	AS AT 31.03.2009
<b>SCHEDULE-12</b>		
<b>MISCELLANEOUS EXPENDITURE:</b>		
To the extent not written off or adjusted:		
Preliminary Expenses	278949.00	356449.00
Less: Written off	77500.00	77500.00
TOTAL Rs.	<u>201449.00</u>	<u>278949.00</u>
<b>SCHEDULE-13</b>		
<b>TURNOVER:</b>		
Sales	349394898.00	14233648.00
Commission Received (Net of Service Tax)	8630205.00	7629667.00
TOTAL Rs.	<u>358025103.00</u>	<u>21863315.00</u>
<b>SCHEDULE-14</b>		
<b>OTHER INCOME</b>		
Profit on Sale of Office Building	523435.00	-
Provision for Gratuity Written Back	-	22674.00
TOTAL Rs.	<u>523435.00</u>	<u>22674.00</u>
<b>SCHEDULE-15</b>		
<b>PERSONNEL EXPENSES:</b>		
Salary & Wages	1940600.00	1570570.00
Bonus	106800.00	80100.00
Staff Welfare	39931.00	40850.00
Gratuity Exp.	97962.00	77942.00
TOTAL Rs.	<u>2185293.00</u>	<u>1769462.00</u>
<b>SCHEDULE-16</b>		
<b>ADMINISTRATIVE &amp; SELLING EXPENSES:</b>		
Rent	658725.00	792100.00
Printing & Stationary	8177.89	15100.00
Postage & Telegram, Courier	120427.00	103205.00
Telephone Expenses	330874.72	359094.40
Rates & Taxes	7,500.00	28,800.00
Advertisement	28766.95	29880.77
Freight Inwards	506828.00	233475.00
Remuneration to Directors	720000.00	720000.00
Legal & Professional Charges	160113.00	119217.00
Meeting Exp.	46625.00	36700.00
Vehicle Running & Maintenance & Conveyance	224165.00	196384.00
News Paper & Periodicals	5195.00	3425.00
Audit Fees	25000.00	25000.00
Commission Paid	-	20000.00
Miscellaneous Exp.	13436.00	20300.00
Electricity & Water Supply Exp.	197748.00	117528.00
Rebate Discount	1216.39	0.00
Computer Maintenance Exp.	17300.00	10747.16
Donation & Subscription	34400.00	13700.00
Office Maintenance Exp.	122400.00	108876.00
Insurance Exp.	19879.00	0.00
Loss on Sale of Vehicles	17,005.00	29,196.00
TOTAL Rs.	<u>3265781.95</u>	<u>2982728.33</u>
<b>SCHEDULE-17</b>		
<b>FINANCE CHARGES:</b>		
Interest	6268318.07	1204529.12
Processing Fees	250000.00	63867.29
Bank Charges	39007.00	11748.34
TOTAL Rs.	<u>6557325.07</u>	<u>1280144.75</u>

## NOTES ON ACCOUNTS

### SCHEDULE-18

#### 1. ACCOUNTING CONVENTION

The accounts of the company are prepared under historical cost convention and in accordance with applicable accounting standards except otherwise stated elsewhere.

#### 2. FIXED ASSETS

Fixed Assets are capitalized at cost, Comprise of Purchase Price (net rebates and discounts) and any directly attributable cost of bringing the assets to its working condition for intended use.

#### 3. INVENTORIES

There is no any inventory at the end of this financial year.

#### 4. REVENUE RECOGNITION

The Company as far as possible has followed the Mercantile System of Accounting with the provision made for known losses & expenditure and Revenue recognition at the point of dispatch of materials to customers. All expenses and income are accounted for on accrual basis except otherwise stated elsewhere.

#### 5. DEPRECIATION

Depreciation is provided from the date, the assets have been installed and put to use on straight line method at the rates and in the manner specified under Schedule XIV of the Companies Act, 1956.

#### 6. RETIREMENT BENEFITS

Provident Fund Act & Employees State Insurance Act are not applicable to Company. Provision for accruing liability of gratuity to employees has been made in accounts.

7. Previous year figures have been regrouped or rearranged wherever considered necessary.

#### 8. INVESTMENT

Investments held/intended to be held for a period exceeding one year have been classified as long term investments. Long term investments are stated at cost of acquisition. Provision for diminution in the value of long term investment is made, only if such decline is other then temporary.

9. The vehicle loans from Banks/financial institution are secured against mortgage of vehicles and personal guarantee of directors of the company.

10. In the opinion of Board of Director, Current Assets, Loans & Advances have a value of realization in the ordinary course of business at least equal to the amount at which they have been stated in the Balance Sheet.

11. The Company has followed the mercantile system of accounting except, the expenses on printing & stationery, postage, Telephone & Telegraph etc. have been accounted for on cash basis being not material in nature.

12. Sundry creditors do not include any amount due to small scale industrial undertakings to the extent of parties identified on basis of information available with the management.

13. Preliminary Expenses of the nature specified in section 35(D) of Income Tax Act, 1961 are being amortized over a period of ten years.

#### 14. EARNING PER SHARE

The company reports basic and diluted earning per share with Accounting Standard-20 issued by the Institute of Chartered Accountants of India on "Earning per Share". Basic earning is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period. Diluted earning per share is compute by divided the net profit or loss for the period by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

	31.03.2010	31.03.2009
Profit after tax	2439640.98	542144.00
Weighted average No. of Equity Shares outstanding	3142900	3142900
Nominal Value per share	10/-	10/-
Basic and diluted earning per share	0.78	0.17

#### 15. SEGMENT REPORTING

As per AS-17 "Segment Reporting" issued by the Institute of Chartered Accountants of India and upon applying the definitions of business and geographical segments given in accounting standard, it is concluded that there is neither more than one business segment nor more than one geographical segment, so segment information has not been required to be disclosed.



## 16. TAX ON INCOME:

### CURRENT TAX

(a) Provision for Income Tax is determined in accordance with the provision of Income Tax Act, 1961.

### DEFERRED TAX

The company has adopted the Accounting Standard-22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India and has made provisions accordingly. With compliance to this Accounting Standard provision for deferred tax have been made in the books only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax liability/assets can be realized.

Deferred Tax is recognized on timing differences being the differences between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period(s).

## 17. REPORTING ON RELATED PARTIES:

A. Name of related party and nature of the related party relationship

i) Associated companies: ---

ii) Director & Their Relative

Sh.Deepak Goel	Director
Sh.Praveen Kumar Goel	Director
Sh.Amit Agarwal	Director

B. Transaction with Related Parties:

The following transactions were carried out with the related parties in the ordinary course of business:

	(Rs.in Lacs)	
	31.03.2010	31.03.2009
Investment	NIL	NIL
Rendering of Services	NIL	NIL
Sale of Goods	NIL	NIL

C. Details relating to persons referred to above A (i) & A (ii)

	(Rs.in Lacs)	
Nature of Transaction	31.03.2010	31.03.2009
i. Remuneration Paid	7.20	7.20
ii. Outstanding Remuneration Payable	NIL	NIL

## 18. IMPAIRMENT OF ASSETS:

As per accounting Standard-28 "Impairment of Assets" issued by the Institute of Chartered Accountants of India, there is no any impairment loss in the fixed assets of the company at the end of this financial year. So the provision for impairment loss has not been made in the books of accounts of the company.

## 19. PROVISION, CONTINGENT LIABILITIES & CONTINGENT ASSETS

As per accounting standard-29 Provision, Contingent Liabilities & Contingent Assets issued by the Institute of Chartered Accountants of India the company recognize only when it has a present obligation as result of past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation as and when a reliable estimate of the amount of the obligation can be made. There is no any such Provision, Contingent Liabilities & Contingent Assets in this financial year as per this Accounting Standard.

20. Working Capital Limit from Bank of Maharashtra is secured against hypothecation of book debts and other current assets of the company. The working capital limit is further collaterally secured by Equitable Mortgage over the Industrial land in the name of M/s Bindal Pulp & Papers (P) Limited situated at Bhopa Road, Muzaffarnagar along with personal guarantee of directors of the company.

21. Additional Information Pursuant to Part II of Schedule VI of the Companies Act, 1956 to the extent applicable to the company:

Quantitative information in respect of Investment in shares is as follows:

Opening Stock		Purchases		Sales		Closing Stock	
No of shares	Amount (Rs.)	No of shares	Amount (Rs.)	No of shares	Amount (Rs.)	No of shares	Amount (Rs.)
1990000	19900000	NIL	NIL	NIL	NIL	1990000	19900000
NIL	NIL	200000	1000000	NIL	NIL	200000	1000000
NIL	NIL	500000	1500000	NIL	NIL	500000	1500000

21. The additional information pursuant to the provisions of Companies Act, 1956 are given below:-

**A. CAPACITY & PRODUCTION**

Since the company is engaged in trading & export of paper & other products, there is no licenced & installed capacity.

**B. STOCK & TURNOVER:**

	CURRENT YEAR		PREVIOUS YEAR	
	QTY Kg.	AMOUNT	QTY Kg.	AMOUNT
i. Turnover				
Domestic				
Paper	16003664.640	292896424.00	900031.10	14233648.00
Steel	806340.000	25605543.00	0.00	0.00
Other	-	30892931.00		
Commission Received				7629667.00
Total	16810004.64	349394898.00	900031.10	21863315.00
ii. Opening Stock	0.00	0.00	0.00	0.00
iii. Closing Stock	0.00	0.00	0.00	0.00

**C. PURCHASE (DOMESTIC):**

Paper	16003664.640	286230859.00	900031.10	13797089.00
Steel	806340.000	25424354.00	0.00	0.00
Other	-	30274820.00		

**D. VALUE OF IMPORTED & INDEGENOUS PURCHASES & PERCENTAGE THEREFORE.**

PURCHASES	CURRENT YEAR		PREVIOUS YEAR	
	VALUE (Rs.)	PERCENTAGE	VALUE (Rs.)	PERCENTAGE
Imported	NIL	NIL	NIL	NIL
Indigenous	286230859.00	100%	13797089.00	100%
E. CIF VALUE OF IMPORTS	NIL	NIL	NIL	NIL
F. EXPENDITURE IN FOREIGN CURRENCY	NIL	NIL	NIL	NIL
G. REMITTANCE IN FOREIGN CURRENCY	NIL	NIL	NIL	NIL
H. EARNING IN FOREIGN CURRENCY	NIL	NIL	NIL	NIL

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

**I. REGISTRATION DETAILS**

REGISTRATION NO.	66194
STATE CODE	55
BALANCE SHEET DATE	31ST MARCH,2010

**II. CAPITAL RAISED DURING THE YEAR  
(AMOUNT IN Rs. THOUSAND)**

PUBLIC ISSUE	NIL	RIGHT ISSUE	NIL
BONUS ISSUE	NIL	PRIVATE PLACEMENT	NIL

### III.POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

(AMOUNT IN Rs. THOUSAND)

#### SOURCES OF FUNDS

TOTAL LIABILITIES	180026	TOTAL ASSETS	180026
PAID-UP CAPITAL	31429	RESERVES & SURPLUS	10414
DEFERRED TAX	191	SECURED LOANS	94924
UNSECURED LOANS	43067		

#### APPLICATION OF FUNDS

NET FIXED ASSETS	5888	INVESTMENTS	22400
NET CURRENT ASSETS	151536	MISC.EXPENDITURE	201
ACCUMULATED LOSSES	NIL		

### IV. PERFORMANCE OF THE COMPANY

(AMOUNT IN Rs. THOUSAND)

TURNOVER	358549	TOTAL EXPENDITURE	354951
PROFIT BEFORE TAX	3597	PROFIT AFTER TAX	2440
EARNING PER SHARE IN Rs	0.78	DIVIDEND RATE %	NIL

### V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY

(AS PER MONETARY TERMS)

ITEM CODE No. : 4805  
PRODUCT DESCRIPTION : PAPER & STEEL

19. SCHEDULES 1 TO 17 ANNEXED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS HAVE BEEN DULY AUTHENTICATED.

for & on behalf of Board

Sd/-  
**DEEPAK GOEL**  
Director

Sd/-  
**PRAVEEN KR. GOEL**  
Director

Sd/-  
**PRANAB KUMAR ROY**  
Company Secretary

As per our report of even Date  
For **GOEL SINGHAL & ASSOCIATES**  
Chartered Accountants

DATED: 30th June, 2010  
PLACE: DELHI

Sd/-  
(**AMRISH KUMAR**)  
PARTNER

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST MARCH, 2010**

	(Amount in Rs.)	
	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit after tax	2439641	638744
<u>Adjustments for:</u>		
Depreciation	935357	955680
Miscellaneous Expenditure written off	77500	77500
Interest	6268318	1204529
Provision for Taxation	1161800	351396
Loss on sale of Car	17,005.00	29196
Profit on Sales of Office Building	(523,435.00)	0
Provision for Frienge Benifit Tax	0	86,895
Deferred Tax	(4193)	(53650)
Dividend received	-	-
Operating Profit before Working Capital changes	10371993	3290290
Adjustment for change in Working Capital		
Trade and Other Receivables	-55511577	-3010286
Inventories	-	-
Other Advances	(35,160,324)	(34,376,839)
Trade Payables	(784,571)	5,228,639
Less : Income Tax Paid	(1,161,800)	(351,396)
FBT Paid	0	(86,895)
Cash Generated from operations	<u>(82,246,279)</u>	<u>(29,306,487)</u>
Interest Paid	(6,268,318)	(1,204,529)
Earlier Year Expenses/Tax	0	(96,600)
Net Cash From Operating Activitie:(A)	<u>(88,514,597)</u>	<u>-30607616</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(2,253,900.00)	(276,991)
Sale of Fixed Assets	993,000.00	276,000.00
Dividend on Shares	-	-
Sales of Investment	-	-
Investments made	<u>(2,500,000)</u>	<u>(8,500,000)</u>
Net Cash From Investing Activities (B)	<u>(3,760,900)</u>	<u>(8,500,991)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Increase in Secured Loans	89,383,231	(2,072,479)
Increase in Unsecured Loans	5,344,717	37,722,716
Net Cash From Investing Activities ( C )	<u>94727948</u>	<u>35650237</u>
Net increase in Cash and Cash equivalents (A+B+C)	2,452,451	(3,458,370)
Cash and Cash equivalents (Opening Balance)	1008281	4466651
Cash and Cash equivalents (Closing Balance)	<u>3460732</u>	<u>1008281</u>

**D. NOTE ON CASH FLOW STATEMENT**

1. Figures in bracket represents Cash outflow.

For & on behalf of Board

Sd/-  
**DEEPAK GOEL**  
Director

Sd/-  
**PRAVEEN KR. GOEL**  
Director

Sd/-  
**PRANAB KUMAR ROY**  
Company Secretary

As per our report of even Date  
For **GOEL SINGHAL & ASSOCIATES**  
Chartered Accountants

DATED: 30th June, 2010  
PLACE: DELHI

Sd/-  
**(AMRISH KUMAR),PARTNER**