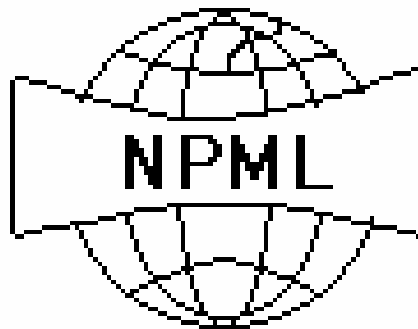


16th
ANNUAL REPORT

**NEERAJ PAPER MARKETING
LIMITED**



YEAR 2011

MANAGEMENT

BOARD OF DIRECTORS

CHAIRMAN

Mr. Deepak Goel

DIRECTORS

Mr. Praveen Kumar Goel	--	Whole time Director
Mr. Amit Agarwal	--	Director
Mr. Shubhakar Pathak	--	Independent Director
Mr. Ankur Sangal	--	Independent Director

COMPANY SECRETARY

Mr. Pranab Kumar Roy

AUDITORS

M/s Goel Singhal & Associates
Chartered Accountants
Muzaffarnagar

BANKERS:

Bank of Maharashtra
Rohini, Sectors-11
New Delhi

REGISTRAR & SHARE TRANSFER AGENT

Beetal Financial & Computer Services Ltd.
Beetal House, 3rd Floor, 99, Madangir
Near Dada Harsukhdas Mandir
New Delhi-110 062

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NOTICE

Notice is hereby given that the 16th Annual General Meeting of the Shareholders of the Company will be held on Friday, 30th September, 2011 at Bipin Chandra Pal Memorial Bhavan, A-81, Chittaranjan Park, New Delhi-110019 at 10.30 A.M. to transact the following Businesses:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as on 31.03.2011 and the Profit & Loss Account for the year ended 31.03.2011 together with the Reports of Directors & Auditors thereon.
2. To appoint a Director in place of Mr. Amit Agarwal, 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 Appoint Mr. Ankur Sanghal as Director

To consider and, if thought fit, to pass, with or without the following resolution as a Ordinary Resolution

To appoint Mr. Ankur Sanghal who was appointed as an additional director w.e.f 09th April, 2011 as per the provisions of Section 260 of the Companies Act, 1956 shall hold office only upto the date of the ensuing Annual General Meeting and in respect of whom the company has received a notice in writing from the member signifying his intention to propose him as a candidate for the office of director as Director of the company and to consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary resolution:

“**RESOLVED THAT** pursuant to the provisions of the Companies Act, 1956 read with the Article of Association of the Company, Sh. Ankur Sanghal be and is hereby appointed as a Director of the company.”

By Order of the Board
For NEERAJ PAPER MARKETING LIMITED

Sd/-
PRANAB KUMAR ROY
(COMPANY SECRETARY)

DATED: 1st September, 2011
PLACE: DELHI

NOTES:

1. **MEMBER ENTITLED TO ATTEND AND VOTE AT THE EXTRA ORDINARY GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. A PROXY IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME OF THE MEETING.**
2. Members may please bring their copies of the Annual Report at the meeting.
3. Members are requested to:
 - (i) Quote their Folio/ID numbers in all correspondence with the Company.
 - (ii) Notify/send immediately to the Company Registered/Corporate Office change, if any, in their registered address along with PIN Code No.
4. Members/Proxies are requested to bring their Attendance Slips (enclosed) duly filled in for attending the meeting.
5. The Register of Members and Share Transfer Registers will remain closed from Friday 23.09.2011 to Friday 30.09.2011 (Both days inclusive).
6. The Register of Directors' Shareholding maintained under Section 307 of the Companies Act, 1956, is available at the AGM for inspection by the Members.
7. Members seeking any information are requested to write to the Company at least 7 days before the date of the meeting so as to enable the management to keep the information ready.
8. Members are requested to notify to the Company any change in their address quoting ledger folio number
9. The Company has appointed M/s Beetal Financial and Computer Services Limited as Registrar and Share Transfer Agent of the company for both physical and electronic form of shareholdings. All communications relating to shares should be directly addressed to:

Beetal Financial & Computer Services Ltd.
Beetal House, 3rd Floor, 99, Madangir
Near Dada Harsukhdas Mandir
New Delhi-110 062
10. Members holding shares in physical mode are requested to intimate all changes pertaining to nominations, power of attorney, change of address/name, etc. to the Registrar and Share Transfer Agent and in case Members are holding shares in dematerialized mode are requested to intimate all changes to their depository participant only and not to the Company's Registrar and Share Transfer Agents. Changes intimated to the depository participant will then be automatically reflected in the Company's records which will help the Company and its Registrar and Transfer Agents to provide efficient and better service to Members.

11. Relevant documents referred to in the accompanying Notices are open for inspection by the Members at the registered office of the Company on all working days except Saturday between 11 A. M. to 1.00 P. M. up to the date of the Meeting.
12. As a part of the Green Initiative in Corporate Governance, the Ministry of Corporate Affairs (MCA), Government of India vide its Circular Nos. 17/2011 and 18/2011, dated April 21 and April 29, 2011 respectively, has allowed companies to send official documents to their shareholders electronically.

Keeping in view the spirit of the circular issued by MCA, we propose to send documents like the Notice convening the General Meeting, Financial Statements, Directors' Report, Auditors' Report etc. for the year ended March 31, 2011, in electronic form, to their email address provided by you and made available to us by the Depositories and also requested to the members to send their email address to the RTA or Company, who has not provided the email id till date.

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

Item No. 1

Mr. Ankur Sangal was appointed as an Additional Independent Director of the company on 09th day of April, 2011 with a purpose to broad base the Board of the company. Mr. Ankur Sangal Agarwal has done Masters in Computer Application and has wide knowledge of Accounts and Finance. His guidance relating to application of computers/ softwares will be very much helpful for our company and also his experience on finance.

The company has received Notice under section 257 of the Companies Act, 1956 from a member of the company signifying his intention to propose the candidature of Mr. Ankur Sangal for the office of Director. Accordingly the resolution for his appointment as Director of the Company is recommended for the approval of Company in the Annual General Meeting.

None of the Directors are concerned or interested in respective Resolution, except the appointee.

By Order of the Board
For NEERAJ PAPER MARKETING LIMITED

Sd/-
PRANAB KUMAR ROY
(COMPANY SECRETARY)

DATED: 1st September, 2011
PLACE: DELHI

DIRECTORS REPORT

Dear Members,

Your directors have pleasure in presenting you their 16th Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March 2011.

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

1. FINANCIAL RESULTS:

	(Rs. in Lacs)	
	CURRENT YEAR 31.03.2011	PREVIOUS YEAR 31.03.2010
Net Sale/Income from Operations	8372.04	3580.25
Other Income	0.33	5.23
Total Expenditure	8089.58	3474.59
Gross Profit Before		
Finance Charges & Depreciation	282.79	110.89
Finance Charges	191.34	65.57
Depreciation	9.99	9.35
Profit Before Tax	81.46	35.97
Income tax Refund	-	-
Provision for Taxation		
-Current Tax	25.73	11.62
-Provision for taxation written back	-	-
-Fringe Benefit Tax	-	-
-Deferred Tax	(0.25)	(0.04)
Profit After Tax	55.98	24.39
Paid-Up Share Capital	314.29	314.29
Reserve & Surplus	160.12	104.14
Book Value per share	15.10	13.31

2. PROGRESS & PROSPECT:

The performance of the company is excellent; it has achieved its Projected Turnover with Net Sales/Income from Operations of Rs. 8372.04 Lacs during the current year, an increase of 133.84% compared to last year. The Net Profit (Before Tax) of the Company is Rs 81.46 Lacs, which is an increase of 126.47% compared to Last year.

The company is working on expansion of its trading business and opened branches in different places and projected turnover for the next financial is Rs. 600 Crores and above. Keeping view of the expansion plan the company arranged working capital facilities from public sector banks and issued further Equity Shares on preferential basis subject to the approval of the Stock Exchanges and concerned authorities.

The expansion of business includes marketing of Kraft Paper, Duplex Board, and Poster Paper, Writing Paper etc of some other well established and reputed Paper Manufacturing Companies along with the existing companies and by opening marketing offices throughout the country. The Branches opened at Faridabad, Baddi (HP), Kashipur, Jamshedpur and Patna and to be opened at such other places to achieve the projected target of next 3years.

4. DIVIDEND

As company required funds for business and growth, no Dividend is recommended for the year under review.

5. AUDITORS:

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

6. 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.

7. DIRECTORS:

In accordance with the provisions of Companies Act, 1956 and Articles of Association of the Company, Mr. Amit Aggarwal, Director of the Company retire by rotation at this meeting and being eligible offer himself for re-appointment. Mr. Ankur Sangal has been appointed as Director w.e.f from 09.04.2011.

8. 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.

9. 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

10. 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, 2011, 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, 2011 on a 'going concern' basis.

11. 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.

12. AUDIT COMMITTEE:

The Board of the Company has constituted an Audit Committee consisting of three directors viz:

Mr. Shubhakar Pathak, Chairman,
and members are:

Mr. Deepak Goel,
Mr. Amit Agarwal

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

13. CORPORATE GOVERNANCE - Particulars & Disclosers attached.

14. 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.

15. FOREIGN EXCHANGE:

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

16. ACKNOWLEDGEMENT:

Your Directors take this opportunity to convey their deep sense of gratitude for valuable assistance and Co-Operation extended to the Company by all valued Customers, Bankers and various departments of government and local authorities.

Your Directors also wish to place on record their sincere appreciation for the valued contribution ,unstinted efforts and spirit of dedication shown by the Company employees, officers and the executives at all levels which contributed , in no small measure , to the progress and the high performance of the Company During the Year under review.

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

Sd/-
DEEPAK GOEL
(CHAIRMAN)

DATED: 8th July, 2011
PLACE: DELHI

Annexure to Directors Report

MANAGEMENT DISCUSSION & ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT

The Paper Industry is a booming industry and is expected to grow in the years to come. The usage of paper cannot be ignored and this awareness is bound to bring about changes in the paper industry for the better. It is a well known fact that the use of plastic is being objected to these days. The reason being, there are few plastics which do not possess the property of being degradable, as such, use of plastic is being discouraged. Excessive use of non degradable plastics upsets the ecological equilibrium.

Application of paper is varied and one cannot think of a life without paper. Softwood producing wood fibers make up the main raw material in the manufacturing process worldwide. China and India are excluded from this category. The reason being wood products availability is meager. Instead, straw, bagasse which are obtained as residues from the agriculture industry are used for the production of paper. Indian paper industry uses used paper for the manufacturing of paper after recycling. It has been estimated that around 40% of paper used is recycled.

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.

The huge demand for waste paper in India, several companies have started to enter this space. Waste paper bought from households and commercial areas, would reach the sorting facility, where it gets sorted into different grades and gets baled. Baled material gets sold to mills.

OPPORTUNITIES:

- The company has the opportunity to go for the addition in traded products of the company for capture the market and growth in the business of the company.
- The company will use the expertise of the promoters and its experienced professional team supported by the adequate infrastructure facilities of the existing business.

THREAT:

- There are no threats anticipated towards our business being trading business of paper except competition.

SEGMENT -WISE /PRODUCT WISE PERFORMANCE

Till 31.03.2011, 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 31st March, 2011. 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 31st March, 2011 is given hereunder.

Chairman

Mr Deepak Goel (Executive Director)

Executive Director

Mr. Praveen Kumar Goel

Non Executive Director

Mr. Amit Agarwal

Mr. Shubhankar Pathak (Non executive Independent Director)

Name of Director	<u>Attendance Particulars</u>		<u>No. of Other Directorships/ Committee Memberships/Chairmanships in all Cos.</u>		
	Board Meetings	AGM	Other Directorship	Committee Members	Chairmanships
Mr. Deepak Goel	10	Present	-	-	-
Mr. Praveen Goel	10	Present	-	-	-
Mr. Amit Agarwal	8	Present	-	-	-
Mr. Shubhakar Pathak	7	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. The company is always doing efforts to fill vacancies of Independent Director for good corporate governance.
- Number of other directorships/ committee membership/ chairmanship indicated above is exclusive of directorships, committee membership and chairmanship in Neeraj Paper Marketing Limited 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 2010-11, the Board of Neeraj Paper Marketing Limited had met 10 times. The dates of the meeting are 05.05.2010, 19.06.2010, 30.06.2010, 30.07.2010, 01.09.2010, 30.10.2010, 30.12.2010, 30.01.2011, 14.03.2011, 29.03.2011.

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 31st March, 2011, 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 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 31st March, 2011, 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

B) Meetings and Attendance:

During the financial year ended 31st March, 2011 the audit committee has met 4 times: 30.06.2010 30.07.2010, 31.10.2010 and 30.01.2011

Attendance of the Directors at the Audit Committee as on 31st March, 2011 is as follows:

Director	Category	No. of Meetings Held	
		Held	Attended
Mr. Shubhakar Pathak	Chairman	4	4
Mr. Deepak Goel	Member	4	4
Mr Amit Agarwal	Member	4	4

C) Power and 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
- To carry out any other function as is mentioned in terms of reference of the audit committee.

D) Review of information by Audit Committee

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee

SHAREHOLDERS GRIEVANCE & TRANSFER COMMITTEE

As on 31st March, 2011, 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 31st March, 2011 against the Company were NIL.

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

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

AGM	DATE	LOCATION	TIME	SPECIAL RESOLUTION PASSED IN AGM
15 th AGM	27.09.10	Bipin Chandra Pal Memorial Bhavan, A-81, Chittranjan Park, New Delhi-19	11. AM	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 Private Limited granted by Bank of Maharashtra, Rohini in excess of ceiling prescribed under Sec 372 A of the Act.
14 th AGM	30.09.09	Sebal Hall (Opp Honda city showroom) Main Mathura Road, Badarpur, Delhi-44	11. AM	-
13 th AGM	30.09.08	Sebal Hall (Opp Honda city showroom) Main Mathura Road, Badarpur, Delhi-44	11. AM	-

DETAIL OF VOTING PATTERN OF SPECIAL RESOLUTION PASSED LAST YEAR

S. NO.	Particulars	No. of Shareholders	Total No. of Shares	% of Votes
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

Mr. Amrish Goel, Practising Charter Accountants, Partner, Goel and Singhal Associates, Muzaffarnagar was appointed as scrutinize for conducting the Postal Ballot

The company had complied all the provisions of "The Companies (Passing of the resolution by the Postal Ballot) Rules, 2001.

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 2010-2011. 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.

MEANS OF COMMUNICATION

The quarterly results as per the format prescribed by the Stock Exchange are published in the Veer Arjun and Pioneer and are also submitted to all the Stock Exchanges where the Company's shares are listed. Further these results will also be available on our website www.neerajpaper.com.

GENERAL SHAREHOLDER INFORMATION

<u>Registered office</u>	301, Aggarwal City Mall, road no. 44, Opp M2K Cinema, Pitampura, Delhi- 110034
<u>Annual General Meeting</u>	
Date	30 th September, 2011
Time	10.30 A.M
Venue	Bipin Chandra Pal Memorial Bhavan, A-81, Chittranjan Park, New Delhi-110019
<u>Adoption of financial results</u>	
30 th June, 2010	30 th July, 2010
30 th September, 2010	30 th October, 2010
31 st December, 2010	30 th January, 2011
31 st March, 2011	08 th July, 2011
<u>Date of Book Closure</u>	From 23 rd September, 2011 to 30 th September, 2011 (both days inclusive)
<u>Dividend payment date</u>	Not applicable
<u>Listing of shares</u>	The shares of the company are listed on the Delhi Stock Exchange, Jaipur Stock Exchange and Ahmedabad Stock Exchange.
<u>Stock Code</u>	ISIN No – INE894J01019

Registrar & Share Transfer Agent

M/s Beetal Financial and Computer Services Pvt Limited,
Beetal House, 3rd 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 31st March, 2011 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
Total	2686	100	3142900	100

Categories of Shareholders as on 31st March, 2011

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	-	-
Total	3142900	100

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 rd 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 08th July, 2011.

Note: a. The Non – mandatory clauses of the Listing Agreement are not adopted by the company.

b. The Corporate Governance report is as on 31st March, 2011

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 31st March, 2011 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: 08th July, 2011
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: 08th July, 2011
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 31st March, 2011 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 31st March, 2011

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: 08th July, 2011
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,2011, 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,2011 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,2011, 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: 08th July, 2011
PLACE: DELHI

Sd/-
(AMRISH KUMAR)
PARTNER
M.No.408347

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 procedure 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 is 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 given its guarantee for credit facilities taken by Satyawan Promotions P.Ltd. from Bank of Maharastra, New Delhi.
- (xvi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the loans availed during the year under our by the company 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**

**DATED: 08th July, 2011
PLACE: DELHI**

**Sd/-
(AMRISH KUMAR)
PARTNER
M.No.408347**

NEERAJ PAPER MARKETING LIMITED, DELHI

BALANCE SHEET AS AT 31.03.2011

	SCHEDULE No.	FIGURES AS AT 31.03.2011		FIGURES AS AT 31.03.2010
<u>SOURCES OF FUNDS:</u>				
<u>Share Holders Funds:</u>				
Share Capital	1	31429000.00		31429000.00
Reserve & Surplus	2	16012237.93		10414347.13
Deferred Tax	3	165828.00		191262.00
			47607065.93	42034609.13
Secured Loans	4		150456914.38	94923973.93
Unsecured Loans	5		49342323.00	43067433.00
Total Rs.			<u>247406303.31</u>	<u>180026016.06</u>
<u>APPLICATION OF FUNDS:</u>				
Fixed Assets:				
Gross Block		12526320.83		11437894.83
Less: Depreciation	6	6277269.83		5549757.83
Less: Impairment Loss		-		-
			6249051.00	5888137.00
INVESTMENT	7		2500000.00	22400000.00
<u>CURRENT ASSETS, LOANS & ADVANCES:</u>				
Sundry Debtors	8	164663110.00		58676690.00
Cash & Bank Balances	9	6871297.39		3460732.39
Loans & Advances	10	75175831.28		96729083.01
Sub Total Rs.		246710238.67		158866505.40
Less: Current Liabilities & Prov.	11	8176935.36		7330075.34
			238533303.31	151536430.06
Miscellaneous Expenditure (To the extent not written off)	12		123949.00	201449.00
TOTAL Rs.			<u>247406303.31</u>	<u>180026016.06</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: 08.07.2011
PLACE: DELHI

Sd/-
(AMRISH KUMAR)
PARTNER
M.No.408347

NEERAJ PAPER MARKETING LIMITED, DELHI

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31.03.2011

	SCHEDULE No.	FIGURES AS AT 31.03.2011	FIGURES AS AT 31.03.2010
<u>INCOME:</u>			
Turnover	13	837203852.00	358025103.00
Other Income	14	33405.00	523435.00
TOTAL Rs. `A'		<u>837237257.00</u>	<u>358548538.00</u>
<u>EXPENDITURE:</u>			
Purchases		802588556.00	341930033.00
Personnel Expenses	15	2750390.00	2185293.00
Adm & Selling Expenses	16	3542003.80	3265781.95
Finance Charges	17	19133723.40	6557325.07
Misc.Exp. Written off	12	77500.00	77500.00
Depreciation	6	999226.00	935357.00
TOTAL Rs. `B'		<u>829091399.20</u>	<u>354951290.02</u>
Net Profit (A-B)		8145857.80	3597247.98
Provision for Taxation-			
-Current Tax		2573401.00	1161800.00
-Deferred Tax		(25434.00)	(4193.00)
Profit After Tax		<u>5597890.80</u>	<u>2439640.98</u>
Add: Accumulated Profit		10095298.13	7655657.15
Balance being Profit carried to Balance Sheet		<u>15693188.93</u>	<u>10095298.13</u>

For Notes refer Schedule-18

For & on behalf of Board

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

Sd/-
PRANAB KUMAR ROY
Company Secretary

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

DATED: 08.07.2011
PLACE: DELHI

Sd/-
(AMRISH KUMAR)
PARTNER
M.No.408347

	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE-1		
SHARE CAPITAL:		
AUTHORISED:		
35,00,000 Equity Shares of Rs. 10/- each.	<u>35000000.00</u>	<u>35000000.00</u>
Issued, Subscribed & Paidup:		
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>
SCHEDULE-2		
RESERVES & SURPLUS:		
General Reserve	319049.00	319049.00
P&L Account	15693188.93	10095298.13
TOTAL Rs.	<u>16012237.93</u>	<u>10414347.13</u>
SCHEDULE-3		
DEFERRED TAX:		
Deferred Tax of Previous years	191262.00	195455.00
Add: Deferred Tax generating during the year	-25434.00	-4193.00
TOTAL Rs.	<u>165828.00</u>	<u>191262.00</u>
SCHEDULE-4		
SECURED LOANS:		
<u>WORKING CAPITAL LIMIT :</u>		
-From Bank of Maharashtra (Against Hypothecation of stocks/ book debts & other current assets and personal guarantee of directors of the company)	148453973.38	92886009.93
<u>VEHICLES LOANS :</u>		
-From AXIS Bank (Secured against hypothecation of vehicle and personal guarantee of director of the company)	825475.00	0.00
-From ICICI Bank Limitec (Secured against hypothecation of vehicle and personal guarantee of director of the company)	0.00	615022.00
-From HDFC Bank Limited (Secured against hypothecation of vehicle and personal guarantee of director of the company)	1177466.00	1422942.00
TOTAL Rs.	<u>150456914.38</u>	<u>94923973.93</u>
SCHEDULE-5		
UNSECURED LOANS:		
From Intercompany Deposit	39190000.00	36290000.00
From Others	10152323.00	6777433.00
TOTAL Rs.	<u>49342323.00</u>	<u>43067433.00</u>

NEERAJ PAPER MARKETING LIMITED,DELHI

DETAIL OF FIXED ASSETS AS ON 31.03.2011

SCHEDULE-6

Name of Assets	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	Cost As on 01.04.2010	Additions during the Year	Deduction during the Year	Total Cost As on 31.03.2011	Upto 31.03.2010	For the Year	Adjustment during the Year	Total 31.03.2011	Balance As on 31.03.2011	Balance As on 31.03.2010
Office Furniture & Equipments	710043.60	11500.00	0.00	721543.60	344745.60	44978.00	0.00	389723.60	331820.00	365298.00
Vehicles	9922999.50	1390394.00	361108.00	10952285.50	4423114.50	948448.00	271714.00	5099848.50	5852437.00	5499885.00
Air Conditioner	25000.00	0.00	0.00	25000.00	2047.00	1188.00	0.00	3235.00	21765.00	22953.00
Computer	779851.73	47640.00	0.00	827491.73	779850.73	4612.00	0.00	784462.73	43029.00	1.00
Current Year	11437894.83	1449534.00	361108.00	12526320.83	5549757.83	999226.00	271714.00	6277269.83	6249051.00	5888137.00
Previous Year	9895905.83	2253900.00	711911.00	11437894.83	4839741.83	935357.00	225341.00	5549757.83	5888137.00	5056164.00

	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE-7		
INVESTMENTS		
Long Term Investments other than trade in Shares Unquoted & Fully Paid Up (At Cost)		
	No. of Shares	No. of Shares
- Bindal Sponge Ltd	-	1990000
- Brina Gopal Traders (P) Ltd	200000	200000
- Swabhiman Vyapar (P) Ltd	500000	500000
	-	1990000.00
	1000000.00	1000000.00
	1500000.00	1500000.00
TOTAL Rs.	<u>2500000.00</u>	<u>22400000.00</u>

SCHEDULE-8

SUNDRY DEBTORS:

(Unsecured but considered good)		
Debts outstanding for a period exceeding six month		
	10,827,750.00	4,285,480.00
Other Debts	153835360.00	54391210.00
TOTAL Rs.	<u>164663110.00</u>	<u>58676690.00</u>

SCHEDULE-9

CASH & BANK BALANCE:

Cash in Hand	961828.00	140515.00
Balance with Schedule Bank		
-In Current Account	5499487.39	2927518.39
-In Deposit Account	409982.00	392699.00
TOTAL Rs.	<u>6871297.39</u>	<u>3460732.39</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	64161129.31	90677041.95
Prepaid Insurance	237356.00	0.00
Security Deposits	452512.00	452512.00
TDS Receivables, Advance Taxes & Refund Due	4105462.00	3135277.00
Other Advances	2665484.66	2464252.06
Uncleared Cheque	3553887.31	0.00
TOTAL Rs.	<u>75175831.28</u>	<u>96729083.01</u>

SCHEDULE-11

CURRENT LIABILITIES & PROVISIONS:

CURRENT LIABILITIES

Sundry Creditors	4959925.36	2810079.42
Creditors for Expenses	643609.00	804324.00
Uncleared Cheques	0.00	2553871.92
PROVISIONS		
Provision for Taxation	2573401.00	1161800.00
TOTAL Rs.	<u>8176935.36</u>	<u>7330075.34</u>

	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE-12		
MISCELLANEOUS EXPENDITURE:		
To the extent not written off or adjusted:		
Preliminary Expenses	201449.00	278949.00
Less: Written off	77500.00	77500.00
TOTAL Rs.	<u>123949.00</u>	<u>201449.00</u>
SCHEDULE-13		
TURNOVER:		
Sales	828002690.00	349394898.00
Commission Received (Net of Service Tax)	9201162.00	8630205.00
TOTAL Rs.	<u>837203852.00</u>	<u>358025103.00</u>
SCHEDULE-14		
OTHER INCOME		
Profit on Sale of Office Building	0.00	523,435.00
Profit on Sale of Car	10,606.00	0.00
Interest Income	22,799.00	0.00
TOTAL Rs.	<u>33405.00</u>	<u>523435.00</u>
SCHEDULE-15		
PERSONNEL EXPENSES:		
Salary	2469980.00	1940600.00
Bonus	121500.00	106800.00
Staff Welfare	47276.00	39931.00
Gratuity Exp.	111634.00	97962.00
TOTAL Rs.	<u>2750390.00</u>	<u>2185293.00</u>
SCHEDULE-16		
ADMINISTRATIVE & SELLING EXPENSES:		
Rent	826800.00	658725.00
Printing & Stationary	8542.00	8177.89
Postage & Telegram, Courier	149354.00	120427.00
Telephone Expenses	337965.29	330874.72
Rates & Taxes	44,573.00	7,500.00
Advertisement	22664.00	28766.95
Freight Inwards	276997.00	506828.00
Remuneration to Directors	720000.00	720000.00
Legal & Professional Charges	152610.00	160113.00
A.G.Meeting Exp.	77560.00	46625.00
Vehicle Running & Maintenance & Conveyance	323510.00	224165.00
News Paper & Periodicals	5900.00	5195.00
Audit Fees	35000.00	25000.00
Diwali Exp.	23,550.00	0.00
Miscellaneous Exp.	39405.00	13436.00
Electricity & Water Supply Exp.	218086.00	197748.00
Rebate & Discount	3041.51	1216.39
Computer Maintenance .Exp.	55500.00	17300.00
Donation & Subscription	33100.00	34400.00
Office Maintenance Exp.	143508.00	122400.00
Insurance Exp.	44338.00	19879.00
Loss on Sale of Vehicles	-	17,005.00
TOTAL Rs.	<u>3542003.80</u>	<u>3265781.95</u>

SCHEDULE-17

FINANCE CHARGES:

Interest	18521293.40	6268318.07
Processing Fees	122124.00	250000.00
Bank Charges	490306.00	39007.00
TOTAL Rs.	<u>19133723.40</u>	<u>6557325.07</u>

NEERAJ PAPER MARKETING LIMITED, DELHI
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 have 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 than 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.

	31.03.2011	31.03.2010
Profit after tax	5597890.80	2439640.98
Weighted average No. of Equity Shares outstanding	3142900	3142900
Nominal Value per share	10/-	10/-
Basic and diluted earning per share	1.78	0.78

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 income 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:

1. M/s Swabhiman Vyapaar (P) Ltd.
2. M/s Satyavan Sales Promotions (P) Ltd.
3. M/s Coral Minerals (P) Ltd.
4. M/s Brina Gopal Traders (P) Ltd.

ii) Director & Their Relative

Sh.Deepak Goel	Director
Sh.Praveen Kumar Goel	Director
Sh.Amit Kumar	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)	
	<u>31.03.2011</u>	<u>31.03.2010</u>
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)

Nature of Transaction	(Rs.in Lacs)	
	<u>31.03.2011</u>	<u>31.03.2010</u>
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	1990000	19900000	NIL	NIL
200000	1000000	NIL	NIL	NIL	NIL	200000	1000000
500000	1500000	NIL	NIL	NIL	NIL	500000	1500000

22. The additional information pursuant to the provisions of Companies act, 1956 are given below:-
 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	76862516.700	828002690.00	16003664.64	292896424.00
Steel	-	0.00	806340.00	25605543.00
Other	-	0.00		30892931.00
Commission Received		9201162.00		8630205.00
Total	76862516.70	837203852.00	16810004.64	358025103.00
ii.				
iii. Opening Stock	0.00	0.00	0.00	0.00
Closing Stock	0.00	0.00	0.00	0.00

C. PURCHASE (DOMESTIC):

Paper	76862516.700	802588556.00	16003664.64	286230859.00
Steel	-	0.00	806340.00	25424354.00
Other	-	0.00	-	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	802588556.00	100%	286230859.00	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,2011

**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	247406	TOTAL ASSETS	247406
PAID-UP CAPITAL	31429	RESERVES & SURPLUS	16012
DEFERRED TAX	166	SECURED LOANS	150457
UNSECURED LOANS	49342		

APPLICATION OF FUNDS

NET FIXED ASSETS	6249	INVESTMENTS	2500
NET CURRENT ASSETS	238533	MISC.EXPENDITURE	124
ACCUMULATED LOSSES	NIL		

IV. PERFORMANCE OF THE COMPANY

(AMOUNT IN Rs. THOUSAND)

TURNOVER	837237	TOTAL EXPENDITURE	829091
PROFIT BEFORE TAX	8146	PROFIT AFTER TAX	5598
EARNING PER SHARE IN Rs	1.78	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: 08.07.2011
PLACE: DELHI

Sd/-
(AMRISH KUMAR)
PARTNER
M.No.408347

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2011**

(Amount in Rs.)

	CURRENT YEAR	PREVIOUS YEAR
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit after tax	5597891	2439641
<u>Adjustments for:</u>		
Depreciation	999226	935357
Miscellaneous Expenditure written off	77500	77500
Interest	18521293	6268318
Provision for Taxation	2573401	1161800
Loss on sale of Car	-	17005
Profit on Sales of Office Building	-	-523435
Profit on Sales of Vehicle	(10,606.00)	0
Deferred Tax	(25434)	(4193)
Dividend received	-	-
Operating Profit before Working Capital changes	27733271	10371993
Adjustment for change in Working Capital		
Trade and Other Receivables	-105986420	-55511577
Inventories	-	-
Other Advances	21,553,252	(35,160,324)
Trade Payables	846,860	(784,571)
Less : Income Tax Paid	(2,573,401)	(1,161,800)
Cash Generated from operations	(58,426,438)	(82,246,279)
Interest Paid	(18,521,293)	(6,268,318)
Earlier Year Expenses/Tax	0	0
Net Cash From Operating Activities (A)	(76,947,731)	-88514597
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(1,449,534.00)	(2,253,900.00)
Sale of Fixed Assets	100,000.00	993,000.00
Dividend on Shares	-	-
Sales of Investment	-	-
Investments made	19,900,000	(2,500,000)
Net Cash From Investing Activities (B)	18,550,466	(3,760,900)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Increase in Secured Loans	55,532,940	89,383,231
Increase in Unsecured Loans	6,274,890	5,344,717
Net Cash From Investing Activities (C)	61807830	94727948
Net increase in Cash and Cash equivalents (A+B+C)	3,410,565	2,452,451
Cash and Cash equivalents (Opening Balance)	3460732	1008281
Cash and Cash equivalents (Closing Balance)	6871298	3460732

D. NOTE ON CASH FLOW STATEMENT

1. Figures in bracket represents Cash outflow.

For & on behalf of Board

Sd/-	Sd/-	Sd/-
DEEPAK GOEL	PRAVEEN KR. GOEIPRANAB KUMAR ROY	As per our report of even Date
Director	Director	For GOEL SINGHAL & ASSOCIATES
	Company Secretary	Chartered Accountants

DATED: 08.07.2011
PLACE: DELHI

Sd/-
(AMRISH KUMAR)
PARTNER
M.No.408347

ATTENDENCE SLIP

NEERAJ PAPER MARKETING LTD.

Regd. Office: 301, Agarwal City Mall, Opp. M2K Cinema, Pitampura, Rani Bagh, Delhi – 110 034

Folio No. No. of Shares held

Member's Name (in block letter)

Proxy's Name (in block letter)

I certify that I am a registered shareholder / proxy for the registered share of the company.

I hereby record my presence in the 16th Annual General Meeting of the company at Bipin Chandra Pal Memorial Bhavan,A-81,Chittaranjan Park,New Delhi – 110 019 held on 30th September 2011 at 10.30 a.m.

NOTE

1. Please sign this attendance slip and hand over at the Attendance Verification Counter at the Entrance of the Meeting Hall.
2. This attendance slip is valid only in case shares are held on the date of meeting.
3. REGRET NO GIFTS.

(SIGNATURE)

-----TEAR HERE -----
PROXY FORM

NEERAJ PAPER MARKETING LTD.

Folio No. No. of shares held

I / We R /o

Being member of the above named Company hereby appoint

..... of

or falling him/ her of

As my / our proxy to attend vote for me / us on my / our behalf at the 16th Annual General Meeting of the Company to be held on 30th September 2011 at 10.30 a.m. at Bipin Chandra Pal Memorial Bhavan,A-81,Chittaranjan Park,New Delhi – 110 019.

Signed

Affix
Revenue
Stamp

Date

Note: Proxy Form must reach the Company's Registered Office not less than 48 hours before the meeting.