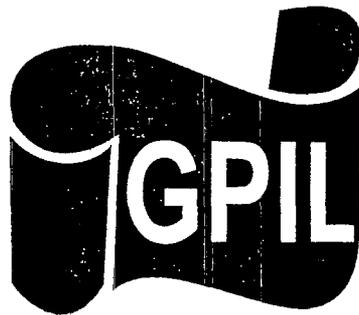


24 th Annual Report 2007-2008



GANGA PAPERS INDIA LTD.

(Formerly known as Kasat Paper & Pulp Limited)

Regd. Office : D-8, Sanskruti Prangan Society, Sr.No. 131, Baner Balewadi Road, Baner, Pune - 411 045.

Proprietor

and

Manager

of

TWENTY FOURTH ANNUAL REPORT 2007-08

BOARD OF DIRECTORS

Ramesh Chaudhary	Chairman
Sandeep Kanoria	Managing Director
Amit Chaudhary	Director
Sanjeev Jalan	Director
Sharwan Kanodia	Director
Prabir Sadhu	Director
Shrikant Kasat	Director

REGISTERED OFFICE

D-8, Sanskruti Prangan,
Baner – Balewadi Road,
Baner Pune 411 046

WORKS

241, Village Bebedohal,
Tal. Maval, Dist. Pune 411 507.

BANKERS

Bank of Baroda

AUDITORS

M/S V.K. Jindal & Co.
D-58/33, B-7, I Floor, Krishi Export Plaza, Sigara,
Varansai – 221010

REGISTRAR & SHARE TRANSFER AGENT

M/s. Sharex Dynamic (India) Limited.
Unit-1, Luthra Industrial Premises, I Floor, 44-E,
M Vasanti Marg, Andheri-Kurla Road, Safed Pool,
Andheri (E), Mumbai – 400072

GANGA PAPERS INDIA LIMITED

(Formerly known as Kasat Paper And Pulp Limited)

Regd. Office: D-8, Sanskruti Prangan, S.No. 131, Baner-Balewadi Road,

Baner, Pune – 411046

NOTICE

NOTICE is hereby given that the twenty fourth Annual General Meeting of the Members of **GANGA PAPERS INDIA LIMITED** will be held on Tuesday, the 30th day of September 2008 at 10.30 A.M. at the Registered Office of the Company at D-8, Sanskruti Prangan, Baner – Balewadi Road, Baner Pune 411 046, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2008 and the Profit & Loss Account for the year ended 31st March 2008 and the Director's and Auditor's report thereon.
2. To appoint a director in place of Mr. Sanjeev Jalan, who retires by rotation, and being eligible offers himself for re-appointment
3. To appoint a director in place of Mr. Sharwan Kanodia, who retires by rotation, and being eligible offers himself for re-appointment
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modifications, the following Resolution as Special Business:

“RESOLVED THAT subject to the terms and conditions to be agreed between the Company and the Ahmedabad Stock Exchange and Pune Stock Exchange according to the latest guidance issued by SEBI viz., Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003, the Shares of the Company be delisted from the Stock Exchanges of Ahmedabad and Pune and the said Stock Exchanges be and are hereby requested to terminate the Listing Agreement entered into by the Company with the said Stock Exchanges.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things to give effect to this resolution and resolve any question or difficulty that may arise in regard thereto in the interest of the Company.”

For and on behalf of Board of Directors

SD/-

Place : Pune

Ramesh Choudhary

Date :05.09.2008

Chairman

NOTES:

1. *A MEMBER ENTITLED TO ATTEND AND VOTE, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF A COMPANY. THE PROXY FORM SHOULD BE LODGED WITH THE COMPANY AT ITS REGISTERED OFFICE AT LEAST 48 HOURS BEFORE THE TIME OF THE MEETING.*
2. *PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.*
3. *ALL DOCUMENTS REFERRED TO IN THE NOTICE AND THE EXPLANATORY STATEMENT ARE OPEN FOR INSPECTION AT THE REGISTERED OFFICE OF THE COMPANY DURING THE OFFICE HOURS ON ALL DAYS EXCEPT SUNDAY AND PUBLIC HOLIDAYS, BETWEEN 11.00 A.M. TO 1.00 P.M. UP TO THE DATE OF ANNUAL GENERAL MEETING.*
4. *MEMBERS, PLEASE NOTE THAT THE SHARE TRANSFER BOOKS AND REGISTER OF MEMBERS SHALL REMAIN CLOSED FROM 26th SEPTEMBER 2008 TO 30th SEPTEMBER 2008 (BOTH DAYS INCLUSIVE).*
5. *THE EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IS ANNEXED HERETO.*

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

ITEM NO: 5

As the Members are aware that the Company's equity shares are listed on the following Stock Exchanges:

- i. The Stock Exchange, Mumbai (BSE)
- ii. The Ahmedabad Stock Exchange (ASE)
- iii. The Pune Stock Exchange (PSE)

There are negligible numbers of shareholders/ members on the register of members located in region of Ahmedabad. It has been further observed that the shares of the Company have not been traded on The Ahmedabad Stock Exchange and Pune Stock Exchange for last several years .Your Directors are of opinion that termination of the Listing Agreement with the Ahmedabad & Pune Stock Exchanges would not cause any hardships to the shareholders as the Company's shares will continue to be listed on the Stock Exchange at Mumbai viz. Bombay Stock Exchange Ltd.

Hence, the Board of Directors has decided to delist the shares from the two Stock exchanges viz. Ahmedabad Stock Exchange and The Pune Stock Exchange.

Members are requested to approve the proposal by passing the special Resolution at Item No. 5 in view of revised SEBI guidelines.

None of the Directors of the Company is in any way interested or concerned in the resolution.

For and on behalf of Board of Directors

SD/-

Place : Pune

Ramesh Choudhary

Date :05.09.2008

Chairman

ANNEXURE

DETAILS OF DIRECTORS RETIRING BY ROTATION AT ANNUAL GENERAL MEETING:

Particulars	Mr. Sanjeev Jalan	Mr. Sharwan Kanodia
Date of Birth	24.06.1976	21.11.1951
Date of Appointment	02.12.2006	02.12.2006
Qualifications	Bachelor's Degree in Commerce	Bachelor's Degree in Commerce
Expertise in Specific functional area	Wide experience in Finance	Wide experience in paper Industry
Directorship held in other Public Companies (excluding Foreign Companies)	NIL	NIL
Membership / Chairmanships of committees of other Public Companies (including only Audit Committee and Shareholders Grievance Committee)	NIL	NIL
No. of Shares held in the Company	NIL	NIL

DIRECTORS' REPORT

To
THE MEMBERS

Your Directors submit herewith the Twenty Fourth Annual Report and the Audited Statement of Accounts of the Company for the year ended 31st March 2008.

PERFORMANCE OF THE COMPANY

The financial performance of the company for the period under review was as follows:

(Rs. in Lacs)

Particulars	2007-08	2006-07
Total Income	2346.92	677.75
Profit (Loss) before Interest, Depreciation & Taxes	237.59	149.32
Less : Interest	59.86	11.18
Less : Depreciation & Write Offs	174.26	83.93
Less: Tax		
Deferred Tax	-33.07	6.89
FBT	0.32	.15
Profit / (Loss) after Tax	36.22	47.17
Profit / (Loss) transferred to Balance Sheet	36.22	47.17

OPERATIONS:

The operations of the company are improving day by day and the management is striving to achieve its best the full production capacity. Due to the reason of plant being closed for 4 years, several machines are not running with full efficiency and so are being repaired/replaced as and when it is needed. You are very well aware of the fact that your company is a sick Company and is presently under the rehabilitation scheme of BIFR , whereby all the necessary steps are been taken very actively and aggressively to successfully revive the overall operations of the company so that it truly enhances stakeholders value.

Both the plants, PM1 and PM-2 are running satisfactorily and the production is also on the increasing trend. Your company has installed various equipments for the efficient running of the plant and is also now infusing more funds in replacing the old inefficient machines with the modern and new efficient machines to keep our per unit production cost very low. An order for new Boiler has been placed so as to reduce fuel cost and steam. Condensate system is also being changed and several other equipments are also being installed for improving production and quality.

The financial results of FY08 were not remarkable but are satisfactory, given the fact that the Plant was closed for so many years and the company is looking very positively towards the year ahead.

FIXED DEPOSITS

The company has not accepted any fixed deposits during the financial year under review.

DIRECTORS

During the year Mr. Sanjeev Jalan and Mr. Sharwan Kanodia, Directors of the Company will retire at the ensuing Annual General Meeting and are eligible to be re-appointed. The Board recommends their reappointment.

AUDITORS

M/s V K Jindal & Co, Chartered Accountants, the Auditors of the Company will retire at Annual General Meeting and are eligible for re-appointment. The members are requested to appoint Auditors for the current year too.

The observations made by Auditors are self explanatory

STATUTORY PARTICULARS:

Particulars under Section 217(1)(e) of the Companies Act, 1956 to the extent applicable to the Company regarding conservation of energy, technology and foreign exchange earning and outgo is given as Annexure (I) to the Report

PARTICULARS OF EMPLOYEES

The Company does not have on its roll any employee drawing remuneration attracting the provisions of Section 217(2A) of the Companies Act, 1956 read with The Companies (Particulars of Employees) Amendment Rules, 1975.

MANAGEMENT'S DISCUSSION AND ANALYSIS

A comprehensive Management's Discussion and Analysis Report is carried elsewhere in this Annual Report.

CORPORATE GOVERNANCE

Pursuant to the clause 49 of the Listing agreements with the stock exchanges, a corporate governance report is made a part of this annual report.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of your Company state:

- 1) That in the preparation of the annual accounts, the applicable accounting standards have been followed.
- 2) That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period.
- 3) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- 4) That the directors had prepared the annual accounts on a going concern basis.

ACKNOWLEDGMENT

Your Directors thank Customers, Suppliers, Members, and Employees for their continued support. Your directors also gratefully acknowledge the co-operation and assistance received from Industrial Development Bank of India, Bank of India, Central and State Government authorities for their continued support and valuable assistance.

Your Directors would like to record their thanks and appreciation to the efforts of each and every employee of the company for their support.

For and on behalf of Board of Directors

SD/-

Place : Pune

Ramesh Chaudhary

Date : 05.09.2008

Chairman

ANNEXURE (I) TO THE DIRECTORS' REPORT

Particulars under Companies (Disclosure of particulars in the reports of Board of Directors) Rules, 1988 for the year ended 31st March 2008.

1. CONSERVATION OF ENERGY

a) Energy Conservation Measures Taken:

- I. Variable Frequency Drives installed in order to save power
- II. Various old power consuming equipments are being replaced by new equipments.
- III. Old DC Drives on machine are replaced by new Drives with HMI system.

b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy:

Approx Rs.50 lacs .

c) Impact of the measures (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

The Company will achieve savings in energy consumption.

d) Total energy consumption and energy consumption per unit of production as Form A of the Annexure to the rules in respect of industry specified in the Schedule thereto:

FORM A

	Current Year	Previous Year
A. Power and Fuel Consumption		
1. Electricity		
(a) Purchased		
Unit	5407549kwh	4080500kwh
Total Amount	29163512	17954200
Rate/unit	5.4	4.4
(b) Own Generation		
(i) Through Diesel Generator		
(ii) Through steam turbine / generator	2244900 kwh	692300 kwh
2. Coal (specify quality and where used)		
Quantity (tonnes)	5355 MT	1632 MT
Total Cost	Rs. 18776695/-	Rs. 5320320/-
Average Rate	Rs.3506 per MT	Rs.3260 per MT
3. Furnace Oil	Nil	Nil
4. Others	Nil	Nil
B. Consumption per unit of production		
Products (with details) unit		
Electricity	603.9 unit/ MT	816.75 unit/ MT
Furnace Oil		
Coal (specify quality)	422.6 kg / MT	326 kg / MT
Others (specify)		

2. TECHNOLOGY ABSORPTION

Efforts made in technology absorption as per Form-B of the Annexure to the Rules:

1. Research & Development (R & D)

- a) Specific areas in which R & D carried out by the Company: None
- b) Benefits derived as a result of the above R & D: Not Applicable
- c) Future plan of action: Not yet finalized
- d) Expenditure on R & D : Nil

2. Technology absorption, adaptation and innovation: NIL

- a) Efforts in brief, made towards technology absorption, adaptation and innovation:N.A.
- b) Benefits derived as a result of the above efforts:N.A.
- c) Technology imported during the last five years: N.A.

3 FOREIGN EXCHANGE EARNINGS & OUTGO

- a) The Company has not commenced any major export activities and the earnings in foreign currency during the year under review was NIL
- b) Total CIF Value of Imports during the year was Rs. 9,33,50,798/-

MANGEMENT DISCUSSION& ANALYSIS REPORT

INDUSTRY STRUCTURES & DEVELOPMENTS

The year 2007-08 was a year of mixed fortune for the developing economies of the world. The second half of the year saw a slow down in the economies because of various reasons viz. rising oil prices, commodity prices, high interest rates etc. The manufacturing sector registered a growth of 9.2% as against 12.5% in the previous year. Inflation was on higher side in India and seems to go still further. Paper industry also faced mixed reactions during the year.

OPERATIONS & FINANCIAL PERFORMANCE

The operations of the Company are improving day by day and the management is very aggressively striving to achieve the full production capacity. Due to the reason of plant being closed for 4 years, several machines are not running with full efficiency and so are being replaced as and when they are needed. You are very well aware of the fact that your company is a sick company and is presently under the rehabilitation scheme of BIFR , whereby all the necessary steps are been taken very actively and aggressively to successfully revive the overall operations of the company so that it truly become shareholders Blue chip stock.

Both the plants PM1 and PM-2 are running satisfactorily and the production is also on the increasing trend. Your company has installed various equipments for the efficient running of the plant and is also now aggressively infusing funds in replacing the old inefficient machines with the modern and new efficient machines to keep our per unit production cost very low. An order for new Boiler has been placed so as to reduce the fuel cost and steam. Condensate system is also being changed and several other equipments are also being installed for improving production and quality.

The financial results of FY08 were not remarkable but are satisfactory, given the fact that the Plant was closed for so many years and the company is looking very positively towards the year ahead.

INTERNAL CONTROL SYSTEM & THEIR ADEQUACY

Company has started adequate internal control system to safeguard all assets of the Company and detect frauds or irregularities, if any. The internal control systems are designed to ensure reliability in financial records and other records for preparing financial information.

OUTLOOK

During the year under review, we have successfully operated the plant and kept the trend of production on the higher side. We hope to grow even faster during next financial year. Ganga Papers India Ltd.(GPIL) commits you that we will put all our efforts not only to successfully run this plant but to make your company one of the highest paper producing company in India as we say that “Making Paper is our Passion”

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations may be “forward looking statements” within the meaning of applicable laws and regulations. Actual result might differ materially from those either expressed or implied.

CORPORATE GOVERNANCE REPORT

“Corporate governance is about working ethically and finding a balance between economic and social goals. It includes the ability to function profitably while obeying laws, rules and regulation.”

Corporate Governance Philosophy:

The company’s philosophy on Corporate Governance aims to achieve excellence in corporate governance by following the principles of transparency, accountability and integrity in functioning, so as to constantly enhance value for all stakeholders and fulfill the social obligation entrusted upon the corporate sector.

The Board of Director is the core of our corporate governance practice and oversees how the management serves and protects the long term interests of all stakeholders. We believe that an active, well informed and independent Board is necessary to ensure highest standards of Corporate Governance.

This chapter of the Report, plus the information given under the Management Discussion and analysis and Shareholder Information constitutes the report on Corporate Governance for the year 2007-2008.

I. Board of Directors

A. Size and Composition of the Board

The current policy of the Company is to have an appropriate mix of Executive and independent Directors to maintain the independence of the Board, and to separate the Board function of governance and management.

The Board consists of 7 (Seven) members. Mr. Ramesh Chaudhary is non executive Chairman and Mr. Sandeep Kanoria is Managing Director, rest 5 (five) directors are all Non executive Directors out of which 3 (three) are independent Directors.

Composition of the Board and Directorship held during fiscal 2007-08

Name of the Director	Designation	Category	No. of directorships*	No. of Committee Membership**	No. of Committees Chairmanship**
Ramesh Chaudhary	Chairman	Non Executive	NIL	NIL	NIL
Sandeep Kanoria	Managing Director	Executive	NIL	NIL	NIL
Amit Chaudhary	Director	Non Executive	NIL	NIL	NIL
Sanjeev Jalan	Director (Independent)	Non Executive	NIL	NIL	NIL
Sharwan Kanodia	Director (Independent)	Non Executive	NIL	NIL	NIL
Prabir Sadhu	Director (Independent)	Non Executive	NIL	NIL	NIL
Shrikant Kasat	Director	Non Executive	NIL	NIL	NIL

Note:

* excluding other private, foreign and companies registered under section 25 of the Companies Act, 1956

**As required by clause 49 of Listing Agreement, the disclosure includes membership/ Chairpersonship of audit committee and investor grievance committee in Public Companies

None of the Directors on the Board is a member of more than 10 Board level committees of public companies in which they are Directors, nor is Chairman of more than five such committees.

B. Board Meetings

The Board meets at least once a quarter to review the quarterly results and other items on the agenda, and also on the occasion of the annual Shareholders' meeting. Additional meetings are held, when necessary. Every Board Meeting is free to suggest items for inclusion in the agenda.

Ten (10) Board Meetings were held during the year ended March 31, 2008. These were held on June 08, 2007; June 30, 2007; July 31, 2007; August 07, 2007; August 24, 2007; September 29, 2007; October 30, 2007; December 21, 2007; January 29, 2008 and March 23, 2008

▪ Directors' Attendance Record.

Table 1 gives the composition of the Board, the category of the Directors and their attendance record.

Table 1

Name of Director	Designation	Category	No. of Board Meetings attended	Whether attended the last AGM held on September 29, 2007
Ramesh Chaudhary	Chairman	Non Executive	10	Yes
Sandeep Kanoria	Managing Director	Executive	10	Yes
Amit Chaudhary	Director	Non Executive	10	Yes
Sanjeev Jalan	Director (Independent)	Non Executive	10	Yes
Sharwan Kanodia	Director (Independent)	Non Executive	10	Yes

Prabir Sadhu	Director (Independent)	Non Executive	8	No
Shrikant Kasat	Director	Non Executive	0	No

▪ **Information placed before the Board.**

The information as required under Annexure IA to Clause 49 is being made available to the Board. The Company did not have any pecuniary relationship or transactions with Non-Executive Directors during the year.

▪ **Discussion with Independent Directors?**

The Board policy is to regularly have separate meeting with independent Directors to update them on all business-related issues and new initiatives. In such meeting, the executive director and other member of the senior management make presentation on relevant issues.

In addition, our Independent Directors meet periodically in an executive session.

C. Board Committees

Currently, the Board has three committees: Audit Committee, Remuneration Committee, Investor Grievance Committee.

The Chairman of the Board, in consultation with the Committee Chairperson, determine the frequency and duration of the Committee meetings.

1. Audit Committee

The terms of reference of the Audit Committee are in accordance with Section 292 A of the Companies Act, 1956 and the items listed in clause 49 (II) (D) and (E) of Listing Agreement inter alia, include overseeing financial reporting processes,

reviewing periodic financial results, financial statements and adequacy of internal control systems with the Management and adequacy of internal audit functions, discussions with the auditors about the scope of audit including the observations of the auditors and discussion with internal auditors on any significant findings.

The Audit Committee consists of three non executive directors, out of which two are independent, non executive directors. The Chairman of the committee is an independent non executive director. The composition of the Audit Committee with there attendance is as follows:

Sr. No.	Name	Designation	Category	No. of Meetings Held	No. of Meetings Attended
1	Sanjeev Jalan	Chairman	(Non Executive Independent Director)	4	4
2	Sharwan Kanodia	Member	(Non Executive Independent Director)	4	4
3	Amit Chaudhary	Member	(Non Executive Director)	4	4

Four Audit Committee meetings were held during the year on June 30, 2007; July 31, 2007; October 30, 2007 and January 29, 2008.

REMUNERATION COMMITTEE

The remuneration committee is responsible to periodically review the remuneration structure for the members of the board, considering and finalizing the remuneration and commission payable to the Managing Director and recommending to the Board

of directors and such other matters as the Board may from time to time request the remuneration committee to examine and recommend / approve.

The remuneration committee consists of three non executive directors and all three are independent. The Chairman of the committee is an independent non executive director. The composition of the remuneration committee with their attendance is as follows:

Sr. No.	Name	Designation	Category	No. of Meetings Held	No. of Meetings Attended
1	Sanjeev Jalan	Chairman	(Non Executive Independent Director)	2	2
2	Sharwan Kanodia	Member	(Non Executive Independent Director)	2	2
3	Amit Chaudhary	Member	(Non Executive Director)	2	2

Two Remuneration Committee meetings were held during the year on July 31, 2007 and January 29, 2008.

3. Shareholders Grievance Committee

Our Shareholders Grievance Committee comprises of three Non Executive Directors out of which two are independent. The Chairman of the committee is an independent non executive director. The Committee has mandate to review and

redress shareholder grievance. The composition of the Shareholders Grievance Committee with there attendance is as follows:

Sr. No.	Name	Designation	Category	No. of Meetings Held	No. of Meetings Attended
1	Sharwan Kanodia	Chairman	(Non Executive Independent Director)	4	4
2	Sanjeev Jalan	Member	(Non Executive Independent Director)	4	4
3	Amit Chaudhary	Member	(Non Executive Director)	4	4

Four investor grievance Committee meetings were held during the year on June 30, 2007; July 31, 2007; October 30, 2007 and January 29, 2008

Name Designation and Address of the Compliance officer:

Mr. Amit Chaudhary (AC.A. by Qualification) Director of the company is appointed as the compliance officer of the company

He may be contacted at:

Ganga Papers India Limited

D-8, Sanskruti Prangan,

Baner – Balewadi Road, Baner

Pune 411 046

During the year one complaint was received which was resolved to the satisfaction of the complainant. There were no complaints pending during the year

The Committee express satisfaction with the Company's performance in dealing with investor grievance and its share transfer system.

D. Management review and responsibility

The Chairman of the company in consultation with the Board, handle all interaction with investor, media and various government to solve the conflict.

We have an integrated approach to manage risks inherent in various aspect of our business.

E. General Body Meeting

Details of last three Annual General Meetings are given below:

Financial year ended	Date and Time	Venue
June 30, 2005	December 29, 2005 at 10 A.M.	A/12, Pushkar Co-oprative Housing Society, 454/455, Gokhale Road, Pune – 411 016
June 30, 2006	October 26, 2006 at 10.00 A.M.	D-8, Sanskruti Prangan, Baner – Balewadi Road, Baner Pune 411 046
March 31, 2007	September 29, 2007 at 10.30 A.M.	D-8, Sanskruti Prangan, Baner – Balewadi Road, Baner Pune 411 046

Date, time and venue of last three AGMs

Postal Ballots

For the year ended March 31, 2008, there are no ordinary or special resolutions that need to be passed by our shareholders through a postal ballot.

F. Disclosures:

- I. There are no materially significant related party transactions of the company which have potential conflict with the interests of the company at large.

II. During the last three years, there were no strictures or penalties imposed by either SEBI or the stock exchanges or any statutory authority for non-compliance of any matter related to the capital markets. However, the company has not complied with the following:

1. The company has not dematerialized its shares. The Company is submitting its application to NSDL for connectivity.

2. The Stock Exchange, Mumbai has suspended the trading.

iii) The company does not have any whistle blower policy in force.

iv) The company has complied with non-mandatory requirements relating to Remuneration Committee details of which have been given earlier in this report.

G. Means of communication:

▪ The Audited results of the company for the period ended on 31.03.2007 were published in national daily newspapers -The Free Press Journal (English Daily) and Navshakti (Marathi Daily)

▪ The company sends notices to the shareholders regarding convening of General Meetings and Communication with the Stock Exchanges, SEBI and the Registrar of Companies, Pune by Registered Post and fax. The Company is in the process of developing its website.

▪ The Management Discussion and Analysis Report forms part of this Annual Report.

10. GENERAL SHAREHOLDER INFORMATION:

▪ Annual General Meeting:

i) Date and Time : 30th September 2008

- ii) Venue : Ganga Papers India Limited
D-8, Sanskruti Prangan,
Baner – Balewadi Road, Baner
Pune 411 046
- iii) Financial year : 1st April 2007 to 31st March 2008.
- iv) Date of Book Closure : 26th September 08 to 30th September 08 (both days inclusive)
- v) Dividend payment date: The Board has not recommended any dividend.

vi) Listing on stock exchanges:

&

(Stock Code)

The Company's shares are listed on:

Pune Stock Exchange Limited:

Bombay Stock Exchange Limited: 531813

Ahmedabad Stock Exchange Limited: 30042

Listing Fees for the year 2007-08 has been paid to the Bombay Stock Exchange. The Company has initiated proceedings to delist its shares from Pune and Ahmedabad Stock Exchange.

vii) Market Price Data : Not Available*

viii) Performance in comparison to broad-based indices : Not Available*

* : No quotations are available on any of the Stock Exchanges, where shares of the company are listed.

i) **Registrar and Transfer Agents:**

Your company has appointed M/s. Sharex Dynamic (India) Limited as its Registrar & Transfer Agent. It is SEBI registered Registrar &

Transfer Agent. The entire work relating to processing of transfer of shares has been transferred to M/s. Sharex Dynamic (India) Limited.

M/s. Sharex Dynamic (India) Limited.

Registered office: 17/B, Dena Bank Building, II Floor, Horniman Circle,

Fort, Mumbai - 400001

Phone: 022-22641376/22702485

Fax : 022-22641349

Branch Office: Unit-1, Luthra Industrial Premises, I Floor, 44-E,

M Vasanti Marg, Andheri-Kurla Road, Safed Pool,

Andheri (E), Mumbai – 400072

Phone: 022-28515606 / 28515644

Fax: 022-28512885

x) Share Transfer System:

Shareholders/Investors are requested to send documents related to share transfer directly to our Registrar and Share Transfer Agent. The transfer of shares gets registered within 10-15 days of receipt of transfer documents, if all the documents are in order.

xi) Distribution of Shareholding:

Distribution Schedule

Distribution of shareholding as on 31st March, 2008

Shareholding of Nominal Value of Rs. Rs.	Shareholde rs Number	Shareholders % to Total	Share Amount. In Rupees	Share Amount % to Total
Upto 5,000	172	87.32	110310	.1
5,001 to 10,000	6	2.93	50500	.05
10,001 to 20,000	3	1.46	46400	.04
20,001 to 30,000				
30,001 to 40,000	1	.49	33400	.03
40,001 to 50,000	1	.49	50000	.05
50,001 to 1,00,000				
1,00,001 and above	15	7.32	107598250	99.73
Total	205	100	107888860	100

Shareholding Pattern (as on 31st March, 2008)

Category	No. of shares	% of shareholding.
A. Promoters' holding		
1.Promoters		
Indian Promoters	10210265	94.637
Foreign Promoters		
2.Persons acting in concert		
Sub Total	10210265	94.637
B. Non Promoters' holding		
3.Institutional Investors.		
a. Mutual Funds and UTI	26650	.247

b.Banks, Financial Institutions , Insurance Companies	500000	4.634
c. FIIs		
Sub Total		
4. Others		
a. Private Corporate Bodies.	18450	.171
b. Indian Public	33521	.310
c. NRIs/OCBs		
d. Any others		
Sub Total	578621	5.363
Grand Total	10788886	100

xii) Dematerialisation of Shares:

The shares of your company are not dematerialized. The Company has initiated the dematerialization proceedings.

xiii) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity.

Not issued.

xiv) Plant Locations: 241, Village Bebedohal, Tal. Maval, Dist. Pune 411 507.

xv) Address for correspondence: Shareholders' correspondence can be addressed to:

1. M/s. Sharex Dynamic (India) Limited.

Registered office: 17/B, Dena Bank Building, II Floor, Horniman Circle,

Fort, Mumbai - 400001

Phone: 022-22641376/22702485

Fax : 022-22641349

Branch Office: Unit-1, Luthra Industrial Premises, I Floor, 44-E,
M Vasanti Marg, Andheri-Kurla Road, Safed Pool,
Andheri (E), Mumbai – 400072
Phone: 022-28515606 / 28515644
Fax: 022-28512885

2. The Company Secretary / Compliance Officer.

Ganga Papers India Limited
D-8, Sanskruti Prangan,
Baner – Balewadi Road, Baner
Pune 411 046
Phone: 020-66206581
Fax : 020-66206582
Email: gangapapers@gmail.com

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, all Board members and Senior Management Personnel have affirmed compliance with Ganga Papers India Limited Code of Business Conduct and Ethics for the year ended March 31, 2008.

FOR GANGA PAPERS INDIA LIMITED

Pune, 05.09.2008

SD/-
Ramesh Chaudhary
CHAIRMAN

SD/-
Sandeep Kanoria
MANAGING DIRECTOR

AUDITORS' CERTIFICATE ON CLAUSE 49 COMPLIANCE

The Members

of

GANGA PAPERS INDIA LIMITED

We have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into, by the Company, with Stock Exchanges of India, for the financial year ended 31st March, 2008.

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

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review, and the information and explanations given to us by the Company.

Based on such a review and to the best of our information and according to the explanations given to us, in our opinion, the Company has complied with the conditions of Corporate Governance, as stipulated in Clause 49 of the said Listing Agreement.

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

For and on behalf of
V.K. JINDAL & CO.
Chartered Accountants

SD/-

V.K. JINDAL

Partner

Pune, September 5, 2008

Membership No: 70666

**AUDITORS REPORT TO THE MEMBERS OF
GANGA PAPERS INDIA LIMITED**

1. We report that we have audited the attached Balance Sheet of Ganga Papers India Limited as at 31st March 2008 and the relative Profit & Loss Account of the Company for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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.
3. As required by the Companies (Auditors Report) order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956. We enclose in the Annexure a statement on the matters specified in paragraph 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (ii) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books.
 - (iii) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of accounts.
 - (iv) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.
 - (v) On the basis of written representative received from the directors, as on 31st March 2008 and taken on record by Board of Director's we report that none of the director's is disqualified as on 31st March 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

- (vi) In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit and Loss Account together with the notes on accounts and the significant accounting policies, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India.
- a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2008
 - b. In the case of the Profit & Loss, of the Profit for the period ended on that date and
 - c. In the case of cash flow statement of the cash flows for the year ended on that date.

For V.K.Jindal & Co.
Chartered Accountant

Date: 05.09.08
Place: Pune

Sd/-
(V.K. Jindal)
Partner

Annexure to Auditor's Report
(Referred to in paragraph 3 of our Report of even date)

1. The Company has maintained proper record to show full particulars including quantitative details and situation of fixed assets. We are informed that the management has physically verified these fixed assets at reasonable intervals and no material discrepancies between the book records and physical verification have been noticed on such verification. There was no substantial disposal of fixed assets during the year.
2. The Stocks of finished goods, stores, spare-parts and raw materials and trading goods of the Company have been physically verified by the management. We are informed that the management has made the physical verification at reasonable intervals during the year. In our opinion, and according to the information and explanation given to us, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to size of the Company and the nature of its business.
3. (a) The Company has not granted any loan to the parties covered in the register maintained u/s 301 of the Companies Act, 1956.
(b) The Company has taken unsecured loan from the parties listed in the register maintained u/s 301 of the Company Act 1956. The maximum amount outstanding during the year was Rs. 90445859/- and the year end balance of loans taken from such parties was Rs. 90445859/-. No interest have been paid on such loans taken, however the other terms and conditions in which loans have been taken from the parties listed in the register maintained under section 301 of the Companies Act 1956 are not Prima facie prejudicial to the interest of the company.
4. In our opinion and according to the information and explanation given to us, there is an adequate internal control procedure commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services.
5. According to the information and explanation given to us, we are of the opinion that there are no counter arrangements referred to in section 301 of the Companies Act, 1956.
6. The Company has not accepted any deposit during the year from the Public and hence compliance with directives issued by the Reserve Bank of India, the provision of the section 58A and section 58AA of the Companies Act, 1956 and the applicable rules framed there under does not arise.
7. In our opinion, the Company has an adequate internal audit system commensurate with its size and nature of business.
8. We are informed that the Central Government has prescribed the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 for the products for the Company. In our opinion, adequate accounts and records have been maintained by the Company.

9. The Company is normally regular in depositing undisputed statutory dues including provident fund, sales tax, excise duty and other statutory dues with the appropriate authorities. As informed to us the provision of E.S.I. Act are not applicable to the Company.

As per the information and explanation given to us there are no dues outstanding of sales tax, income tax and excise duty on account of any dispute except sales tax dues for the year 1995-96 Rs. 5,41,377/-

10. The Company has accumulated losses of Rs.248179670.21 at the end of the financial year and has not incurred any cash losses during the year ended 31.03.08. The Company is registered as a sick Company with B.I.F.R as per the provision of SICA.
11. In our opinion and according to the information & explanation given to us, the company has not defaulted in repayment of dues to bank and /or financial institutions. The Company has not issued debentures during the year.
12. According to the information and explanation given to us the Company has not granted any loans and advances on the basis of security by the way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanation given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/mutual fund /societies.
14. As informed and explained to us the Company has not dealt/traded in securities or debentures during the year. In our opinion and according to information and explanation given to us, proper records have been maintained of the transactions and contract relating to dealing /trading in share or other investment and timely entries have been made therein. The share and other investments have been held by the Company in its own name.
15. According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
16. The Company has not obtained any fresh term loan. All previous term loans have been repaid by the company.
17. We have been informed by the Management that the funds raised for short term basis have not been used for long term investments and vice-versa.

18. The Company has not made preferential allotment of shares to parties or Companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money through a public issue during the year.
21. Based on the information and explanation furnished by the Management there were no frauds on or by the Company noticed or reported during the year.

For V.K.Jindal & Co.
Chartered Accountant

Date: 05.09.08
Place: Pune

Sd/-
(V.K. Jindal)
Partner

GANGA PAPERS INDIA LIMITED

Balance Sheet as at 31st March, 2008

	SCH	As on 31.03.2008	As on 31.03.2007
I. SOURCES OF FUNDS			
1. Shareholders Funds			
a. Share Capital	1	107,888,860.00	107,888,860.00
b. Reserve & Surplus	2	144,157,672.72	144,157,673.00
		<u>252,046,532.72</u>	<u>252,046,533.00</u>
2. Loan Funds			
a. Secured Loans	3	56,311,256.64	30,300,242.00
b. Unsecured Loans	4	175,031,607.82	148,449,489.00
		<u>231,342,864.46</u>	<u>178,749,731.00</u>
3. Deferred Tax Liabilities (Net)		36,953,598.56	40,261,000.00
Total		<u><u>520,342,995.74</u></u>	<u><u>471,057,264.00</u></u>
II. APPLICATION OF FUNDS			
1. Fixed Assets			
a. Gross Block	5	359,925,954.03	355,831,663.00
b. Less: Depreciation		202,474,377.20	185,047,391.00
Capital Work-in Progress			0.00
Net Block (a+b)		<u>157,451,576.83</u>	<u>170,784,272.00</u>
2. Investment	6	154,750.00	154,750.00
3. Current Assets, Loans & Advances			
a. Inventories	7	104,710,362.00	50,741,054.00
b. Sundry Debtors		36,435,174.50	14,505,753.00
c. Cash and Bank Balances		1,730,336.36	2,243,581.00
d. Other Current Assets		3,192,431.21	1,072,990.00
e. Loans and Advances		4,600,338.03	4,505,010.00
		<u>150,668,642.10</u>	<u>73,068,388.00</u>
Less: Current Liabilities and Provisions	8		
a. Liabilities		31,564,599.40	23,778,099.00
b. Provisions		4,547,044.00	973,258.00
		<u>36,111,643.40</u>	<u>24,751,357.00</u>
Net Current Assets (a-b)		<u>114,556,998.70</u>	<u>48,317,031.00</u>
4. Profit and Loss Account	9	248,179,670.21	251,801,211.00
Total		<u><u>520,342,995.74</u></u>	<u><u>471,057,264.00</u></u>
Notes to the Accounts	16		

Subject to our separate report of even date

For V.K. Jindal & Co.
Chartered Accountants

Sd/-
(V.K.JINDAL)
Partner

Sd/-
Ramesh Chaudhary
Chairman

Sd/-
Sandeep Kanoria
Managing Director

Place: Pune
Date: 05.09.08

GANGA PAPERS INDIA LIMITED

Profit & Loss Accounts for the period ending at 31st March, 2008

	SCH	As on 31.03.2008	As on 31.03.2007
I. INCOME			
Sales	10	233,861,235.00	67,388,292.00
Other Income		830,661.00	386,743.00
Total Income		<u>234,691,896.00</u>	<u>67,775,035.00</u>
II. Expenditure			
Material Consumed & Manufact Expenses	11	203,045,814.19	48,042,031.00
Employee's Emoluments	12	1,151,971.00	699,986.00
Selling & Distribution Expenses	13	4,813,220.90	2,051,659.00
Other Expenses	14	1,921,292.61	2,048,439.00
Financial Expenses	15	5,986,104.49	1,118,224.00
Total Expenditure		<u>216,918,403.19</u>	<u>53,960,339.00</u>
Profit before Depreciation and Tax		<u>17,773,492.81</u>	<u>13,814,696.00</u>
Less: Depreciation		17,426,986.16	8,393,532.00
Miscellaneous Expenditure written off		0.00	0.00
Profit for the year before Tax		<u>346,506.65</u>	<u>5,421,164.00</u>
Less: Tax Expenses Current Tax		0.00	0.00
Deferred Tax		-3,307,401.44	689,000.00
FBT		32,367.00	15,106.00
Profit for the year after Tax		<u>3,621,541.09</u>	<u>4,717,058.00</u>
Profit transfer to Balance Sheet		<u>3,621,541.09</u>	<u>4,717,058.00</u>

Basic & Diluted Earnings Per Share(Rs.) 0.34 1.94

Notes to the Accounts 16

Subject to our separate report of even date

**For V.K. Jindal & Co.
Chartered Accountants**

Sd/-
(V.K.JINDAL)
Partner

Sd/-
Ramesh Chaudhary
Chairman

Sd/-
Sandeep Kanoria
Managing Director

Place: Pune
Date: 05.09.08

GANGA PAPERS INDIA LIMITED

Schedule Forming part of the Accounts as at and for the year ended 31st March 2008

	As on 31.03.2008	As on 31.03.2007
Shedule '1' : Share Capital		
Authorised :		
11,000,000 Equity Share of Rs. 10/-each	110,000,000.00	110,000,000.00
		<u>110,000,000.00</u>
Issued,Subscribed and Paid Up :		
10788886 Equity Share of Rs. 10/-each	107,888,860.00	107,888,860.00
Total	<u>107,888,860.00</u>	<u>107,888,860.00</u>
 Shedule '2' Reserves & Surplus		
Capital Reserve		
State subsidy received from SICOM	4,500,000.00	4,500,000.00
Capital Reduction Account	103,800,972.72	103,800,973.00
Capital Reserve Account	6,026,500.00	6,026,500.00
	<u>114,327,472.72</u>	<u>114,327,473.00</u>
 Share Premium	 29,830,200.00	 29,830,200.00
Total	<u>144,157,672.72</u>	<u>144,157,673.00</u>
 Shedule '3' Secured Loans		
Working Capital		
From Bank of Baroda, Cash Credit Accou (Secured against the hypothecation of Stock & Book Debts)	56,311,256.64	30,300,242.00
Total	<u>56,311,256.64</u>	<u>30,300,242.00</u>

GANGA PAPERS INDIA LIMITED

Schedule Forming part of the Accounts as at and for the year ended 31st March 2008

	As on 31.03.2008	As on 31.03.2007
Schedule '4' : Unsecured Loans		
Interest free Deferred Sales Tax Loan	84,585,748.82	81,194,630.00
Inter Corporate Deposit	89,645,859.00	67,254,859.00
Loan from Director	800,000.00	0.00
Total	<u><u>175,031,607.82</u></u>	<u><u>148,449,489.00</u></u>
 Schedule '5' : Fixed Assets		
Fixed Assets (as per annexure)	157,451,676.83	170,784,272.00
Total	<u><u>157,451,676.83</u></u>	<u><u>170,784,272.00</u></u>
 Schedule '6' Investments		
Unquoted Investments:		
Investment in Equity Shares in Shri Laxmikrupa Urban Co-Op. Bank Ltd. (5000 Shares of Rs. 10/-each fully paid up)	50,000.00	50,000.00
Investment in Equity Shares in Shri Sadguru Jangali Maharaj Bank Ltd. (1995 Shares of Rs. 50/-each fully paid up)	99,750.00	99,750.00
Investment in Equity Shares in Janta Sahakari Bank Ltd. (50 Shares of Rs. 100/-each fully paid up)	5,000.00	5,000.00
Total	<u><u>154,750.00</u></u>	<u><u>154,750.00</u></u>

GANGA PAPERS INDIA LIMITED

Schedule Forming part of the Accounts as at and for the year ended 31st March 2008

	As on 31.03.2008	As on 31.03.2007
Schedule '7' Current Assets ,Loans & Advances:		
a.Inventories :		
Inventories as taken, valued and certified by the management		
i.Raw Materials	63,786,879.00	30,300,976.00
ii.Packing Materials	1,232,968.00	126,752.00
iii.Consumable Stores	14,890,000.00	7,505,820.00
iv.Materials in process	11,139,900.00	3,004,863.00
v.Finished goods	13,660,615.00	9,802,643.00
Total	104,710,362.00	50,741,054.00
b.Sundry Debtors :		
(Unsecured and considered good, unless otherwise stated)		
i.Outstanding over 6 months	2,742,620.00	0.00
ii.Others	33,692,554.50	14,505,753.00
	36,435,174.50	14,505,753.00
c.Cash and Bank Balance:		
Cash in Hand	265,836.32	1,229,408.00
Bank Balances		
i.Balance with Scheduled Banks in Curren	37,597.04	609,763.00
ii.Balance with Scheduled Banks in Depo:	1,180,576.00	0.00
iii.Balance with Other Banks in Current A	246,327.00	404,410.00
Total	1,730,336.36	2,243,581.00
d.Other Current Assets:		
i.Balance with Excise Authorities	796,104.51	686,255.00
ii.VAT Receivable	2,396,326.70	136,735.00
Total	3,192,431.21	822,990.00

GANGA PAPERS INDIA LIMITED

Schedule Forming part of the Accounts as at and for the year ended 31st March 2008

	As on 31.03.2008	As on 31.03.2007
e.Loans and Advances:		
(Unsecured and considered good, unless otherwise stated)		
i.Advances recoverable in cash or kind or for value to be received	4,080,550.24	1,435,573.00
ii.Sundry Deposit	519,787.79	3,069,437.00
Total	4,600,338.03	4,505,010.00
Total	150,668,642.10	72,818,388.00

GANGA PAPERS INDIA LIMITED

Schedule Forming part of the Accounts as at and for the year ended 31st March 2008

	As on 31.03.2008	As on 31.03.2007
Schedule '8' Current Liabilities & Provisions:		
a. Current Liabilities:		
Sundry Creditors for supplies	18,230,715.69	10,507,062.00
Other Current Liabilities	13,089,606.06	13,271,037.00
Bank of Baroda, Pune	244,277.65	0.00
	31,564,599.40	23,778,099.00
Provision for Expenses	4,547,044.00	973,258.00
Total	36,111,643.40	24,751,357.00
Schedule '9' Profit and Loss Account:		
Profit and Loss Account:		
Balance as per last Balance Sheet	251,801,211.30	256,518,269.00
Less: Profit/Loss transferred from P/L A/c	3,621,541.09	4,717,058.00
Current tax Liabilities	0.00	0.00
Total	248,179,670.21	251,801,211.00
Schedule '10' Sales & Other Income:		
Sales		
Sale of Paper	230,110,568.00	61,064,669.00
Sale of Scrap	25,080.00	0.00
Sale of Waste Paper (High seas)	3,725,587.00	6,323,623.00
	233,861,235.00	67,388,292.00
Other Income:		
i. Output Insurance Charges	768,703.00	233,025.00
ii. Miscellaneous Receipts	0.00	2,020.00
iii. Foreign Exchange Fluctuation	0.00	141,400.00
iv. Interest Received on FDR	61,958.00	10,298.00
Total	830,661.00	386,743.00

GANGA PAPERS INDIA LIMITED

Schedule Forming part of the Accounts as at and for the year ended 31st March 2008

	As on 31.03.2008	As on 31.03.2007
Schedule '11' Materials Consumed and manufacturing Expenses		
Raw Materials Consumed:		
Opening Stock		
i.Raw Materials	30,300,976.00	1,351,063.00
ii.Packing Materials	126,752.00	4,308.00
iii. Consumable Stores	7,505,820.00	6,880,475.00
Sub Total a	37,933,548.00	8,235,846.00
Add:Purchases		
i.Raw Materials	203,664,822.28	58,494,514.00
ii.Packing Materials	2,514,924.57	423,689.00
iii. Consumable Stores	11,018,027.34	1,703,379.00
Sub Total b	217,197,774.19	60,621,582.00
Less: Closing Stock		
i.Raw Materials	63,720,349.00	30,300,976.00
ii.Packing Materials	1,232,968.00	126,752.00
iii. Consumable Stores	14,956,530.00	7,505,820.00
Sub Total c	79,909,847.00	37,933,548.00
A : Consumption of Raw Materials	175,221,475.19	30,923,880.00
(a+b+c)		
Manufacturing Expenses:		
i.Wages and Labour Charges	1,097,535.00	782,326.00
ii.Water Charges	869,901.00	0.00
iii.Manufacturing charges	1,930,938.00	0.00
iv.Power & Fuel	33,939,520.00	27,323,822.00
v.Machinery Repairs & Maintanance	1,848,954.00	423,644.00
vi.Factory Repairs & Maintanance	59,100.00	0.00
vii.Factory Expenses	71,400.00	924,512.00
B.Total Manufacturing Expenses	39,817,348.00	29,454,304.00

GANGA PAPERS INDIA LIMITED

Schedule Forming part of the Accounts as at and for the year ended 31st March 2008

	As on 31.03.2008	As on 31.03.2007
(Increase /Decrease in Stocks:		
Stocks at close		
i.Work in process	11,139,900.00	3,004,863.00
ii.Finished Goods	13,660,615.00	9,802,643.00
Sub Total a	24,800,515.00	12,807,506.00
Stock at Opening		
i.Work in Process	3,004,863.00	373,568.00
ii. Finished goods	9,802,643.00	97,785.00
Sub Total b	12,807,506.00	471,353.00
C:(Increases) /Decrease in Stocks:(b-a)	-11,993,009.00	-12,336,153.00
Total (a+b+c)	203,045,814.19	48,042,031.00

GANGA PAPERS INDIA LIMITED
The Accounts as at and for the year ended 31st March, 2008

SCH	As on 31.03.2008	As on 31.03.2007
Schedule '12' Employees Emoluments		
Salaries, Wages, Bonus etc	1,110,384.00	674,523.00
Welfare Expenses	10,387.00	9,863.00
House Rent	31,200.00	15,600.00
	1,151,971.00	699,986.00

Schedule ' 13' : Selling & Distribution Expenses :

Commission on sales	2,041,860.00	1,138,499.00
Rebate & Discount	1,794,489.62	690,284.00
Short Weight Deduction on sales	963,037.28	156,881.00
Special Discount on sale of Kraft	0.00	6,690.00
Rate Difference	0.00	2,418.00
Waste Removal expenses	0.00	31,200.00
Freight Outward	13,834.00	25,687.00
Total	4,813,220.90	2,051,659.00

Schedule ' 14' : Other Expenses :

Printing & Stationary	78,760.11	40,619.00
Rates & Taxes	300,506.00	185,400.00
Telephone & Postage Expenses	271,279.50	217,729.00
Security Service Charges	511,038.00	272,027.00
Insurance	195,236.00	22,075.00
Legal & Professional charges	118,782.00	725,171.00
Travelling & Conveyance	26,177.00	52,980.00
Listing and Filing Fees	91,050.00	477,610.00
Interest on Duties & Taxes	75,845.00	1,880.00
Vehicle Running & Maintenance	170,587.00	28,785.00
Audit Fees and expenses	28,090.00	16,854.00
Miscellaneous Expenses	18,223.00	7,309.00
Advertisement Expenses	35,719.00	0.00
Total	1,921,292.61	2,048,439.00

GANGA PAPERS INDIA LIMITED
The Accounts as at and for the year ended 31st March, 2008

SCH	As on 31.03.2008	As on 31.03.2007
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Schedule ' 15' : Financial Costs :

Interest & Commitment Charges

i. Bank Interest	5,473,654.00	956,144.00
ii. Bank Charges	<u>512,450.49</u>	<u>162,080.00</u>
Total	<u><u>5,986,104.49</u></u>	<u><u>1,118,224.00</u></u>

GANGA PAPERS INDIA LIMITED

Schedule Forming part of the Accounts as at and for the year ended 31st March, 2008

Annexure to Schedule no. '5' : Fixed Assets

DESCRIPTION OF ASSET	GROSS BLOCK			TOTAL	DEPRECIATION			CLOSING	NET BLOCK	
	OPENING 01.04.07	ADDITIONS (Rs.)	DEDUCT (Rs.)		OPENING	DURING YEAR	DEDUCTIO		PREVIOUS YEAR (Rs.) 31-03-2007	CURRENT YEAR (Rs.) 31-03-2008
Freehold Land	5559300.00	-	-	5559300.00	-	-	-	-	5559300.00	5559300.00
Leasehold Land	6080.00	-	-	6080.00	-	-	-	-	6080.00	6080.00
Building	65308392.45	-	-	65308392.45	17183501.00	2114645.37	-	19298146.37	48124891.45	46010246.08
Plant & Machinery	272351314.75	4048813.85	-	276400128.60	160359694.04	14377858.04	-	174737552.08	111991620.71	101662576.52
Electrical Installations	7769864.65	-	-	7769864.65	4186664.00	505106.41	-	4691770.41	3583200.65	3078094.24
Furnitures, Fixtures & Office Equipment	4801076.50	45476.83	-	4846553.33	3316697.00	425991.01	-	3742688.01	1484379.50	1103865.32
Vehicle	35635.00	-	-	35635.00	835.00	3385.33	-	4220.33	34800.00	31414.67
Total	355831663.35	4094290.68	-	359925954.03	185047391.04	17426986.16	-	202474377.20	170784272.31	157451576.83

GANGA PAPERS INDIA LIMITED

Cash Flow Statement As On 31.3.2008

For The Year For The Year
2007-08 2006-07

A. <u>Cash Inflow (Outflow) from the operating Activities</u> Net Profit After		
<u>Tax And Ordinary Activity (A) Adjustments For Add/(Less)</u>	3.46	54.21
DEPRECIATION	174.27	83.93
DEPRECIATION ON ASSETS WRITE OFF		(6.47)
PROVISION FOR FBT	(0.32)	(0.15)
FINANCIAL CHARGES	59.86	11.18
INTEREST ON FDR	(0.62)	(0.10)
FOREIGN EXCHANGE FLUCTUATION	0	(1.41)
OTHER INCOME	0	(0.02)
SUB TOTAL ADJUSTMENT (B)	233.19	86.96
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	236.65	141.17
INVENTORIES	(539.69)	(420.34)
SUNDRY DEBTORS	(219.29)	(140.02)
OTHER CURRENT ASSETS	(21.19)	4.99
LOANS & ADVANCES	(0.95)	88.26
CURRENT LIABILITIES	77.86	74.55
PROVISION FOR EXPENSES	35.74	(5.66)
WORKING CAPITAL LOAN FROM BANKS	260.11	(550.00)
SUB TOTAL ADJUSTMENT (D)	(407.41)	(948.22)
CASH GENERATED FROM OPERATIONS E (C-D)/(C+D)	(170.76)	(807.05)
FINANCIAL CHARGES	(59.86)	(11.18)
SUB TOTAL (F)	(59.86)	(11.18)
CASH FLOW BEFORE EXTRAORDINARY ITEMS	(230.62)	(818.23)
EXTRAORDINARY ITEMS	0	0.02
FOREIGN EXCHANGE FLUCTUATION	0	1.41
CAPITAL REDUCTION	0	778.02
SUB TOTAL ADJUSTMENT FOR (E)	0.00	779.45
NET CASH FROM OPERATING ACTIVITIES	(230.62)	(38.78)
B. <u>Cash Inflow (Outflow) from the Investment Activities</u>		
CAPITAL EXPENDITURE	(40.94)	(152.38)
INTEREST RECEIVED	0.62	0.10
NET Cash Inflow (Outflow) from the Investment Activities	(40.32)	(152.28)
C. <u>Cash Inflow (Outflow) from the Financial ACTIVITIES</u>		
INCREASE/(DECREASE) IN SECURED LOANS	0	(364.16)
INCREASE/(DECREASE) IN FIXED AND BANK DEPOSIT	(4.50)	0.06
INCREASE/(DECREASE) IN UNSECURED LOANS	265.82	(479.47)
ISSUE OF SHARE CAPITAL	0	1050.00
NET Cash Inflow (Outflow) USED In the Financial ACTIVITIES	261.32	206.43
Net CASH & CASH EQUIVALENT	-9.62	15.37
CASH & CASH EQUIVALENT AS AT (OPENING BALANCES)	15.46	0.09
CASH & CASH EQUIVALENT AS AT (CLOSING BALANCES)	5.84	15.46

Subject to our separate report of even date

For and on behalf of the Board of the
Ganga Papers India Limited

For V.K. Jindal & Co.
Chartered Accountants

SD/-
(V.K.JINDAL)
Partner

SD/-
Ramesh Chaudhary
Chairman

SD/-
Sandeep Kanoria
Managing Director

Place: Pune
Date: 05.09.08

GANGA PAPERS INDIA LIMITED
SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH 2008
SCHEDULE '16': NOTES ON ACCOUNTS

A) STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES:

a) Accounting Convention:

The financial statements are prepared under historical cost convention, revenues are recognized and expenses are accounted on their accrual with necessary provisions for all known liabilities and losses except the following:

- Gratuity benefits which are accounted on cash basis as per the practice consistently followed by the Company.
- Bonus for the year has not been provided by the Company.

b) Fixed Assets and Depreciation:

- Fixed assets are stated at the original cost inclusive of expenses related to acquisition and related per-operative expenses.
- Depreciation is provided on straight-line method in accordance with the provision of section 205(2) (b) of the Companies Act, 1956.
- Depreciation on assets added/ disposed of during the year is provided on Pro-rata basis from the date of addition or up to the date of disposal.

c) Investment:

Long Term Investment are stated at cost less provision, if any, for diminution in value of permanent nature, wherever applicable.

d) Inventories:

The Inventories are valued as follows:

- Stores & Spare : At cost or net realizable value whichever is lower.
- Raw Materials : At cost or net realizable value whichever is lower.
- Finished Goods : At cost or market price whichever is lower.
- Work in Progress : At cost or net realizable value whichever is lower.
- Consumable : At cost or net realizable value whichever is lower.

e) Retirement Benefits:

Retirement benefits except gratuity are accounted on accrual basis. Gratuity is accounted on cash basis.

f) Foreign Currency Transactions:

Transactions in foreign currency are recorded at the rates, which are in force at the time transactions are effected. Exchange differences arising on foreign currency transactions are recognized as income or as expense in the period in which they arise, monetary items outstanding at the year end are reported at the exchange rate prevailing at the end of the year and the difference in rate of exchange is recognized as an item of income or expense for the year.

g) Cenvat Accounting :

Cenvat benefit is reduced from the cost of purchase of Raw material. Cenvat benefit availed on capital goods are reduced from the cost of respective capital assets.

h) Sales:

The Sales are exclusive of excise duty.

i) Taxation:

Income Tax expense comprises Current Tax and Deferred Tax charged or credit. The Deferred Tax charged or credit is recognized using Current Tax rates. Where there is an Unabsorbed Depreciation or Carry Forward losses, Deferred Tax Assets are recognized only if there is virtual certainty of realization of such assets. Other Deferred Tax assets are recognized only to the extent there is a reasonable certainty of realization to future. Deferred Tax Assets/ Liabilities are received as at each Balance Sheet date based on developments during the year and available Cash Loss, to reassess realization/ liabilities.

j) Lease:

Lease entered into on or after 1st April 2001 has been accounted for in accordance with the Accounting Standard 19 on "Leases" Issued by The Institute of Chartered Accountants of India.

k) Use of Estimates:

The preparation of Financial Statement in conformity with the Generally Accepted Accounting Principle requires estimates and assumption to be made that affect the reported amount of assets and liabilities on the date of the Financial Statement and reported amount of revenue and expenses during the reported period . Difference between actual results and estimates are recognized in the period in which the results are known /materialized.

B) NOTES TO ACCOUNTS

1. The Company has received state subsidy from SICOM to the tune of Rs. 45,00,000/- for starting a industrial undertaking. The Company has further availed the benefits of interest free Sales Tax Deferral Loan for payment of Sales Tax collected under the various schemes promoted by the sales tax authorities amounting to Rs. 9,50,56,195.82.

2. In the opinion of the management, current assets, loans and advances are approximately of the value stated if realized in the ordinary course of business. The provisions for all known liabilities are adequate.

3. Segment accounting disclosure as required by Accounting Standard 17, "Segmental Accounting" issued by The Institute of Chartered Accountants of India, is not disclosed separately since there is only one Segment.

4. Contingent Liabilities not provided for:

These, if any, are disclosed in the notes on accounts. Provision is made in the Accounts in respect of those contingencies which are likely to materialize into liabilities after the year end till the finalization of Accounts and have material effect on the position stated in the Balance Sheet.

5. Related Party Disclosure:

Related party disclosure, as required by Accounting Standard 18, "Related Party Disclosure" are given below:-

a)

Sr.No.	Name of the related party	Nature of relationship
1	Sandeep Kanoria	Director
2	Ganag Pulp & Papers Pvt.Ltd.	Control Exist
3	Satabadi Vinimay Pvt.Ltd.	Control Exist
4	Newel (Calcutta) Pvt.Ltd.	Control Exist

b) The Following transactions were carried out with the related parties in the ordinary course of business-

Ref.	Nature of Transaction	Value of transaction
a) Sandeep Kanoria	Unsecured Loan	8,00,000
a) Ganga Pulp & Papers Pvt.Ltd.	Unsecured Loan	2,77,45,230
a) Satabadi Vinimay Pvt. Ltd.	Unsecured Loan	5,00,000
a) Newel (Calcutta) Pvt. Ltd.	Unsecured Loan	1,50,000
a) Newel (Calcutta) Pvt. Ltd.	Sale at Prevailing market price for cash	3,56,192

6. Earning Per Share:

Profit computation for both, basic and diluted Earning per Share (EPS) of Rs. 10 each

Sr.No.	Particulars	31.03.2008
1	Net profit/(Loss) as per Profit & Loss A/c	3621541.09
2	Weighted Average number of Equity Shares	1,07,88,886
3	Earning per Share	0.34

7. Income Tax Provisions:

Consequent to issuance of Accounting Standard 22, "Taxes on Income" by the Institute of Chartered Accountants of India, which is mandatory in nature, the company has recognized deferred taxes which result from timing difference between the Book Profit and Tax Profit.

During the year the Company has not made any Provision for Income Tax in view of the availability of the benefits of carry forward losses as per the order of BIFR.

8. Secured Loans:

- a) Working Capital Finance from Bank of Baroda is secured against hypothecation of stock of the Raw materials, Work-in- progress, finished goods, other inventories, book debts and Mortgage of fixed assets in favour of the bank. The loan is further guaranteed by following Directors of the Company individuals in their personal capacities.

- i) Mr. R.K. Chaudhary
- ii) Mr. Sandeep Kanoria
- iii) Mr. Amit Chaudhary

9. Party accounts are subject to confirmation and consequential adjustments, if any in the books.

10. In Terms of notification No.GSR 129 (E) dated 22.02.1999 issued by the Department of the Companies Affairs, Ministry of Law, Justice in Company Affairs, the company called for the information from creditors regarding their status as to small scale undertaking, in order to make the required disclosure. Due to non receipt of the same, no disclosure as to the names of small scale undertaking to whom the Company owes a sum exceeding to Rupees One Lac outstanding for more than one month has been mad

11. Break up of interest free deferred Sales Tax loan is as Under :

Particulars of Scheme	31.03.2008	31.03.2007
1983 Package Scheme of Incentives	8914421	8914421
1988 Package Scheme of Incentive	6273994	6273994
1988 (Additional) Package Scheme of Incentives	1188041	1188041
1993 Package Scheme of Incentives	64818174	64818174
Sales Tax Deferral 1993 (Additional) Scheme	3191119.13	Nil

12. Miscellaneous Notes :

- Figures in bracket to the previous year
- Previous Year's figures have been regrouped and rearranged wherever necessary to confirm with current year's presentation.
- Figures have been rounded off to nearest rupees.

13. The company is a sick company registered with BIFR and the draft Revival Scheme (DRS) has been approved and circulated by BIFR. The company has implemented the stipulations under the said Scheme.

14. Additional Information Pursuant paragraph 3 & 4 of part II of the Schedule VI of the Companies Act, 1956.

a) Licensed and Installed Capacity and Actual production :

Class of Goods	Unit	Licensed Capacity	Installed Capacity	Actual Production
Kraft Paper	MT	54,000	16,000	7035.66
News Print	MT	60,000	15,000	3135.28
Writing & Printing	MT	60,000	15,000	2500.50

Note : Installed capacity depends upon the product mix, which has been certified by the management and accepted by the auditors without verification being a technical matter. The overall installed capacities are interchangeable and the aggregate installed capacity is 46,000 Mt. tons.

b) Consumption of Raw Materials :

Particulars	Quantity (MT)	Value (Rs)
Imported Waste Paper	6754.37	81583443.93
Indigenous Waste Paper (See note below) for sale	7296.87	51130747.5

c) Consumption of Stores & Others :

Particulars	Quantity (MT)	Value (Rs.)
Coal		19516295.50
Colour & Chemicals		13430633.30
Stores & Consumables		4023847.34

d) Stock and Turnover :

i) Manufacturing Item :

Class of goods	Opening Stock		Closing Stock		Turnover	
	Quantity	Value	Quantity	Value	Quantity	Value
Kraft Paper	329.04	4696344	303.99	4939983	7061.23	100626169.00
News Print	222.02	5106299	118.75	2849976	3238.54	70879632.00

GANGA PAPERS INDIA LIMITED
Formerly Kasat Paper & Public Limited

Regd. Office:-D – 8, Sanskriti Prangan, Baner – Balewadi Road, Baner,
Pune - 46

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(All amount in thousands of Rupees, unless otherwise stated)

1. REGISTRATION DETAILS

Registration No. L21012MH1985PTC035575 State Code 11

Balancesheet Date: 31.03.2008

2. CAPITAL RAISED DURING THE YEAR

Public issue Nil Right Issue Nil

Bonus issue Nil Private Placement Nil

3. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

Total Liabilities 520343 Total Assets 520343

SOURCE OF FUNDS

Paid up Capital 107888 Reserves and surplus 144157

Secured Loans 56311 Unsecured Loans 175031

APPLICATION OF FUNDS

Net Fixed Assets 157451 Investment 155

Net Current Assets 114557 Misc. Expenditure Nil

4. PERFORMANCE OF THE COMPANY

Turnover	233861	Total Expenditure	216918
Profit/(Loss) Before Tax	346	Profit/(Loss) after Tax	3621
Earning Per Share(Rs.)	0.34	Dividend Rate(%)	

5. Generic names of three principal products / services of the Company:

Item Code No. (ITC Code)	: 2804
Product Description	: KRAFT PAPER
Item Code No. (ITC Code)	: 2803
Product Description	: NEWS PRINT PAPER
Item Code No. (ITC Code)	: 2802
Product Description	: WRITING PRINTING PAPER

For and on behalf of
V.K. JINDAL & CO
Chartered Accountants

FOR GANGA PAPERS INDIA LIMITED

SD/-
V.K. JINDAL
Partner

SD/-
Ramesh Chaudhary
CHAIRMAN

SD/-
Sandeep Kanoria
MANAGING DIRECTOR

Membership No: 70666

Pune, 05.09.2008

PROXY FORM

I / We _____ of
_____ being a member (s) of Ganga Papers India Ltd.
hereby appoint _____ of _____ or falling him
_____ of _____ as my/our proxy to attend and vote
for me / us on my / our behalf at the **Twenty Fourth Annual General Meeting** of the
Company to be held on Tuesday, the 30th September, 2008 and at any adjournment
thereof.

Signed this _____ day of _____ 2008.

Member's Folio Number _____

Affix 15 paise Revenue stamp
Signature

No. of Shares held _____

------(T ar Her)-----

Attendance Slip
(TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING)

I hereby record my presence at the **Twenty Fourth Annual General Meeting** of the
Company at D - 8, Sanskruti Prangan, Baner Balewadi Road, Baner Pune 411 046 on
Tuesday, the 30th September, 2008.

Name of the attending member (in Block Letters)

Name of the Proxy (To be filled in if the Proxy attends instead of the Member)

Signature of Member / Proxy _____

Member's Folio Number _____ No of Shares held _____

Notes:

1. Share holders/proxy holders are requested to bring the attendance slips with them duly completed when they come to the meeting and hand them over at the entrance after affixing their signatures on them.
2. The proxy form must be deposited at the Registered Office of the Company at D - 8, Sanskruti Prangan, Baner Balewadi Road, Baner Pune 411 046.

If Undelivered Please return to :

Secretarial Department,

GANGA PAPERS INDIA LTD.

Regd. Office : D-8, Sanskruti Prangan Society,
Sr.No. 131, Baner Balewadi Road,
Baner, Pune - 411 045.