

TWENTY EIGHT ANNUAL REPORT 2011-2012

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
Pradeep Tulsyan	Director

REGISTERED OFFICE

D-8, Sanskruti Prangan,
S. No. 131, 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 Eighth Annual General Meeting of the Members of the Company will be held on Saturday the 29th day of September 2012 at 10.30 A.M. at the Registered Office of the Company at D-8, Sanskruti Prangan, S.No. 131, 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 2012 and the Statement of Profit & Loss Account for the year ended 31st March 2012 and the report of the Director's and the Auditor's 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. Sharwn Kanodia, who retires by rotation and being eligible offers himself for re-appointment
4. To appoint a Director in place of Mr. Amit Chaudhary, who retires by rotation and being eligible offers himself for re-appointment
5. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT Pursuant to provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956 Mr. Ritesh Bajoria & Co. Chartered Accountants, Varanasi be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company in place of M/s V.K. Jindal & Co. Chartered Accountants, the retiring Auditors of the Company, who have shown their unwillingness to be reappointed as Auditors of the Company.

RESOLVED FURTHER THAT the Board be and are hereby authorized to do all such acts, deed, matters and things as may be necessary to implement this resolution.”

SPECIAL BUSINESS:

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

“**RESOLVED THAT**, pursuant to Sec. 198, 269, 309 read with schedule XIII and other applicable provisions; if any of the Companies Act, 1956 and in terms of resolution passed at the Annual General Meeting held on 29.09.2007, the approval of the members of the Company be and is hereby accorded for reappointment of Mr. Sandeep Kanoria as Managing Director of the Company for a further period of 5 years with effect from 08.06.2012 without any remuneration and on the terms and conditions approved by the Board of Directors of the company and as set out in the explanatory statement.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to change the terms of appointment from time to time, to the extent the Board of Directors may consider and as may be authorised in accordance with the provisions of the Companies Act, 1956 for the time being in force or any statutory modifications or re-enactment thereof and / or in rules and regulations promulgated there under.”

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Place: Pune

Date: 03.09.2012

Ramesh Chaudhary

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. THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS OF THE COMPANY SHALL REMAIN CLOSED FROM WEDNESDAY, SEPTEMBER 26, 2011 TO SATURDAY, SEPTEMBER 29, 2012

3. MEMBERS ARE REQUESTED TO NOTIFY THE COMPANY IMMEDIATELY IF THERE IS ANY CHANGE IN THEIR ADDRESSES.

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

Item No 6

The members at their annual general meeting held on 29.09.2007 had approved the appointment of Mr. Sandeep Kanoria. As per the terms of the said appointment, it is proposed to reappoint Mr. Sandeep Kanoria without any remuneration for a further period of five years with effect from 08.06.2012.

The reappointment has been made in the Board Meeting held on 14th August, 2012 as per the recommendation of the remuneration committee. The Board of Directors of your Company recommends the resolution as set in Point No. 6 of the Notice for your approval.

None of Director of the Company other than Mr. Sandeep Kanoria is concerned or interested in the resolution.

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Place: Pune

Date: 03.09.2012

Ramesh Chaudhary

Chairman

**INFORMATION PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT FOR
APPOINTMENT/REAPPOINTMENT OF DIRECTORS**

Particulars	Mr. Sanjeev Jalan	Mr. Sharwn Kanodia	Mr. Amit Chaudhary
Date of Birth	24.06.1976	21.11.1951	24.05.1980
Date of Appointment	02.12.2006	02.12.2006	15.01.2007
Qualifications	Bachelor's Degree in Commerce	Bachelor's Dgree in Commerce	Chartered Accountant
Expertise in Specific functional area	Vast Experience in Finance	Vast Experience in Paper Industry	Vast Experience in Finance
Directorship held in other Public Companies (excluding Foreign Companies)	Nil	Nil	Nil
Membership/ Chairmanships of committees of other Public Companies (including only Audit Committee and Shareholders Grievance Committee)	Nil	Nil	Nil
No. of Shares held in the Company	Nil	Nil	Nil

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

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting the 28th Annual Report together with audited accounts for the financial year ended 31st March, 2012.

1. FINANCIAL RESULTS

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

Particulars	Amount (Lacs)	
	2011-2012	2010-2011
Total Income	6422.96	5870.37
Total Expenditure	6103.40	5431.33
Profit before depreciation, tax and prior period items	319.56	439.04
Less: Depreciation	44.87	52.97
Less: Prior period items	Nil	Nil
Profit/ (Loss) for the year before tax	274.68	386.07
Tax expenses	7.50	6.35
Profit/ (Loss) after tax	267.18	379.71

2. OPERATIONS

The operations of the Company are improving day by day and the management is very aggressively striving to achieve the full production capacity. The production of the company has increased marginally this year and full capacity is still to be achieved. The management is taking all necessary steps including various modifications in the plant to ensure the full and efficient running of the plant.

Your Directors feel that this current year is going to be better for the company as we are striving hard to achieve the full production capacity.

3. FIXED DEPOSITS

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

4. DIRECTORS

The Board of the Company is duly constituted; there has been no change in the composition during the year. There are 7 (seven) Non-executive Director out of which 4 (four) are independent and 1 (one) Executive Director.

In accordance with the provisions of the Companies Act and the Articles of Association of the Company, Mr. Sanjeev Jalan, Mr. Sharwn Kanodia and Mr. Amit Chaudhary, Directors retires by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment. Mr. Sandeep Kanoria is reappointed as Managing Director of the Company for a further period of five years.

5. AUDITORS

M/s V K Jindal & Co. Chartered Accountants are statutory Auditor of the Company. M/s Jindal & Co. have expressed their unwillingness to be re-appointed as Auditors of the Company, on their retirement at the forthcoming Annual General Meeting. The Board records its appreciation for the assistance and guidance provided by them during their long tenure with the Company. The Board recommends the appointment of Mr. Ritesh Bajoria & Co. Chartered Accountants, as Auditors of the Company from the conclusion of this Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors of the Company.

6. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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.

7. PARTICULARS OF EMPLOYEES

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

8. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

A comprehensive Management's Discussion and Analysis Report is made a part of this Annual Report.

9. CORPORATE GOVERNANCE

Pursuant to the clause 49 of the Listing agreement with the stock exchanges, Corporate Governance Report is made a part of this Annual Report.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors states:

- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed.
- b) 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 profit of the Company for that period.

- c) 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.
- d) That the Directors had prepared the annual accounts on a going concern basis.

11. ACKNOWLEDGMENT

Your Directors express their special thanks to the Customers, Suppliers, Members, and Employees for their continued support. Your directors also gratefully acknowledge the co-operation and assistance received from Bank of Baroda, Central and State Government authorities for their continued support and valuable assistance.

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Place: Pune

Date: 03.09.2012

(Ramesh Chaudhary)

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 2012.

1. CONSERVATION OF ENERGY

- a) Energy Conservation Measures Taken:
- I. Variable Frequency Drives installed in order to save power.
 - II. Various old equipments of the plant are changed with new technology to save energy.
- b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy: NIL
- 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	11,210,100 kwh	10,935,431 kwh
Total Amount	Rs. 7,17,22,611/-	Rs. 5,94,96,462/-
Rate/unit	Rs. 6.39/unit	Rs. 5.44/unit
(b) Own Generation		
(i) Through Diesel Generator	--	--
(ii) Through steam turbine / generator	4,081,805 kwh	3,832,265 kwh

2. Coal (specify quality and where used)		
Quantity (tonnes)	15,843.82 MT	15806.39 MT
Total Cost	Rs.5,86,47,980/-	Rs.5,94,45,593/-
Average Rate	Rs. 3761/-	Rs. 3761/-
3. Furnace Oil	Nil	Nil
4. Others	Nil	Nil
B. Consumption per unit of production		
Products (with details) unit		
Electricity	587.75 unit/MT	568.98 unit/MT
Furnace Oil	--	--
Coal (specify quality)	608.9 Kg/MT	608.9 Kg/MT
Others (specify)	--	--

2. TECHNOLOGY ABSORPTION

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

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 previous year was nil and during the year under review is also nil.

- b) Total CIF Value of Imports during the previous year was Rs. 11, 70, 49,294 /- and during the year under review it was Rs. 11, 64, 59,045 /-.

MANGEMENT DISCUSSION & ANALYSIS REPORT

1 INDUSTRY STRUCTURES & DEVELOPMENT

The financial year 2011 – 12 has been passed under economic slowdown in our country.

Your Company has been working through this demanding situation to ensure that we move forward and achieve success at various ends. The Company sticks to its commitment of working and yielding better results even in this situation of global slowdown in the economy.

2 OPERATIONS & FINANCIAL PERFORMANCE

The operations of the Company are satisfactory considering the present slowdown in the economy and the management is striving to achieve better results. There has been a 10% increase in the sales over last year. The management is taking all necessary steps including various modifications in the plant to ensure the full and efficient running of the plant.

The summarized performance of Company during the year was as under:

Particulars	2011 – 12	2010 – 11
Sales (Rs. In Lacs)	6402.38	5831.02
EBIDTA (Rs. In Lacs)	364.02	495.92

3 INTERNAL CONTROL SYSTEM & ITS ADEQUACY

The effort of the Company to strengthen its internal control systems and their adequacy has yielded fruitful results. The system of internal control is working towards development of transparent and efficient policies for strict adherence to management rules and policies as well

as ethical conduct within the organization. The internal control systems are further designed to ensure reliability in financial records and other records for preparing financial information.

The Company places prime importance on the effective internal audit system. The internal audit programme is aligned to the previous years' observations, suggestions from statutory auditors, existing systems and procedures, financial limits and also risk areas which are identified and reviewed. The internal audit report are discussed and reviewed by the Audit Committee.

4 OUTLOOK

During the year under review, we have succeeded to a greater extent in fulfilling the demands of our consumers and we hope that in the financial year 2012-13, we continue with our endeavors and grow even faster. Ganga Papers India Ltd.(GPIL) commits you that we will put all efforts in successfully running this plant and to make your Company one of the biggest paper producing Company in India as we say that "Making Paper is our Passion"

5 CAUTIONARY STATEMENT

The management of Ganga Papers India Ltd. (GPIL) has prepared this report and is responsible for the same. 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 regulation and the management has based them on its current expectations and its projection about future events. Actual result might differ materially from those either expressed or implied.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY

Your Company maintains standard of corporate conduct towards its shareholders, customers, employees, all other stakeholders and society in general. The Company has always focused on good corporate governance, which is key driver of sustainable growth and long term value creation for shareholders. The Corporate Governance is more about creating organisation excellence leading to increasing employee and customer satisfaction and shareholders value.

To that effect, Ganga Papers India Limited has adopted practices mandated in Clause 49 of listing agreement and has established procedures and systems to be fully compliant with it.

2. **BOARD OF DIRECTORS**

The Board of Directors of your Company consists of 8 (eight) Directors including a Managing Director and 7 (seven) Non – Executive Directors out of which 4 (four) are independent Directors.

Mr. Sanjeev Jalan, Mr. Sharwn Kanodia and Mr. Amit Chaudhary, Directors of the Company are retiring by rotation at the forthcoming Annual General Meeting and are eligible for re – appointment.

Following is the current position of the directorship

Name of Director	Category	No. of other Directorships and Committee Memberships/ Chairmanships		
		Directorships	Committee Memberships	Committee Chairmanships
Ramesh Chaudhary (Chairman)	Promoter, Non-Executive	Nil	Nil	Nil
Sandeep Kanoria (Managing Director)	Promoter, Executive	Nil	Nil	Nil
Amit Chaudhary	Promoter, Non-Executive	Nil	Nil	Nil
Sanjeev Jalan	Non-Executive Independent	Nil	Nil	Nil
Sharwan Kanodia	Non-Executive Independent	Nil	Nil	Nil
Prabir Sadhu	Non-Executive Independent	Nil	Nil	Nil
Shrikant Kasat	Non-Executive	Nil	Nil	Nil
Pradeep Tulsyan	Non-Executive Independent	Nil	Nil	Nil

- excluding private, foreign and companies registered under section 25 of the Companies Act, 1956
- None of the Directors is a member of more than 10 Board – level Committees of public companies in which they are Directors, nor is a chairman of more than five such Committees.

NUMBER OF BOARD MEETINGS

During the year, four (4) Board Meetings were held on 31.05.2011, 30.07.2011, 31.10.2011 and 10.02.2012

DIRECTORS' ATTENDANCE RECORD

Table 1 gives the composition of the Board, the category of the Directors and their attendance record as follows:

NAME OF DIRECTOR	CATEGORY	NO. OF BOARD MEETINGS ATTENDED	LAST AGM
Ramesh Chaudhary (Chairman)	Promoter, Non-Executive	5	Yes
Sandeep Kanoria (Managing Director)	Promoter, Executive	5	Yes
Amit Chaudhary	Promoter, Non-Executive	5	Yes
Sanjeev Jalan	Non-Executive Independent	5	Yes
Sharwan Kanodia	Non-Executive Independent	5	Yes
Prabir Sadhu	Non-Executive Independent	5	Yes
Shrikant Kasat	Non-Executive	0	No
Pradeep Tulsyan	Non-Executive Independent	5	Yes

INFORMATION PLACED BEFORE THE BOARD.

Among other information supplied to the Board includes:

- Annual operating plan & budget and any update thereof.
- Quarterly results for the Company
- Minutes of the meeting of the Audit Committee and other committees of the Board.
- Any show cause notice, prosecution notices and penalty notices

3. COMMITTEES OF THE BOARD

a) AUDIT COMMITTEE

Apart from all the matters provided in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, the terms of reference of audit committee include:

- Approve internal audit programme,
- Review with statutory auditors their findings, observations, suggestions, internal control systems and major accounting policies followed by the Company.

The minutes of the Audit Committee meetings are circulated to the Board of Directors.

Composition:

As on 31st March, 2012 the Audit Committee of Ganga Papers India Limited, consisted of Mr. Sanjeev Jalan (Chairman) independent Director, Mr. Sharwan Kanodia, independent Director and Mr. Amit Chaudhary, non-executive Director.

The Committee met 4 (four) times on 31.05.2011, 30.07.2011, 31.10.2011 and 10.02.2012.

Table 2: Attendance record of Audit Committee members for 2011 - 12

NAME OF DIRECTOR	CATEGORY	STATUS	NO. OF MEETING	
			HELD	ATTENDED
Mr. Sanjeev Jalan	Independent	Chairman	4	4
Mr. Sharwan Kanodia	Independent	Member	4	4
Mr. Amit Chaudhary	Non-executive	Member	4	4

b) 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.

Composition

As on 31st March 2012 the Remuneration Committee of Ganga Papers India Limited consisted of Mr. Sanjeev Jalan (Chairman) Non executive Independent Director, Mr. Shrawan Kanodia Non executive Independent Director and Mr. Amit Chaudhary, Non executive Director.

c) INVESTOR GREIVANCE COMMITTEE

The Board of Directors constituted Investors / Shareholders Grievance Committee at the Meeting of the Board of Directors held on 8th June 2007. The Committee was formed to approve the matters relating to allotment of securities, issue of duplicate certificates, review and redressal of investor grievanc

The committee comprises of the following:

Table 4

SR. NO	NAME OF THE DIRECTOR	CATEGORY
1	Mr. Amit Chaudhary	Chairman (Non Executive)
2	Mr. Sharwan Kanodia	Member (Non-Executive, Independent)

Mr. Amit Chaudhary is a compliance officer of the company. The Company had no requests/ transfers pending at the close of the financial year 2012.

Non Executive Director's Shareholding

None of the Non Executive Directors of the company hold any shares of the company.

4. GENERAL BODY MEETINGS

Location and time of last three Annual General Meetings is as mentioned below:

Date	Location	Time
30.09.2009	D-8, Sanskruti Prangan, Baner – Balewadi Road, Baner Pune 411 046	10.30 A.M
30.09.2010	D-8, Sanskruti Prangan, Baner – Balewadi Road, Baner Pune 411 046	10.30 A.M
30.09.2011	D-8, Sanskruti Prangan, Baner – Balewadi Road, Baner Pune 411 046	10.30 A.M

No Postal Ballot was conducted during the year.

No Special Resolutions were passed in the above meetings by postal ballot and the same is not proposed to be conducted.

5. DISCLOSURES

(i) Related Party Transactions

During the year related party transactions have been disclosed as part of Accounts as required under Accounting Standard 18 issued by the Institute of Chartered Accountants of India and is disclosed under Point 4 of Notes 21 of the Accounts. The Audit Committee reviewed the basis & the transactions.

(ii) Non Compliance

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 current status is as below:

- a. The Company is in process of dematerialization of its shares. The Company has already submitted its application to NSDL for connectivity.

- b. The Company is in process of restoration of trading at the Bombay Stock Exchange, Mumbai.

(iii) Whistle Blower Policy:

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

(iv) Compliance with Mandatory and Non-mandatory items:

The company has complied with mandatory and non-mandatory requirements.

6. MEANS OF COMMUNICATION

- The Audited results of the Company for the period ended on 31.03.2012 were published in national daily newspapers -The Free Press Journal (English edition) and Navshakti (Marathi edition)
- 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 Website address of the Company is www.gangapapers.in
- The Company does not display the official news releases; and the presentations made to the Institutional Investors and Analysts.

7. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting:

- (i) Date and Time: 29.09.2012 at 10.30 A.M
- (ii) Venue: D-8, Sanskruti Prangan, Baner-Balewadi Road, Baner Pune - 411046
- (iii) Financial year: 1st April, 2011 to 31st March, 2012.
- iv) Date of Book Closure: 26.09.2012 to 29.09.2012 (both days inclusive)

v) Dividend payment date: The Board has not recommended any dividend.

8. LISTING ON STOCK EXCHANGES & STOCK CODE

The Company's shares are listed on the following stock exchange:

1. Bombay Stock Exchange Limited: 531813

Listing Fees for the year 2011-12 has been paid to the Bombay Stock Exchange.

- **Market Price Data:** Not Available*
- **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.
- **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 and 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

- **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.

DISTRIBUTION OF SHAREHOLDING:

Distribution Schedule

Distribution of shareholding as on 31st March, 2012

Shareholding of Nominal Value of Rs.	Shareholders Number	Shareholders % to Total	Share Amount. In Rupees	Share Amount % to Total
Upto 5,000	179	87.32	110310	0.10
5,001 to 10,000	6	2.93	50500	0.05
10,001 to 20,000	3	1.46	46400	0.04
20,001 to 30,000	-	-	-	-
30,001 to 40,000	1	0.49	33400	0.03
40,001 to 50,000	1	0.49	50000	0.05
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, 2012)

Category	No. of Shareholders	No. of shares	% of shareholding.
A. Promoters' holding			
1. Promoters			
- Indian Promoters	11	10210266	94.637
- Foreign Promoters	Nil	Nil	Nil
2. Person acting in concert	Nil	Nil	Nil

Sub Total (A)	11	10210266	94.637
B. Non Promoters' holding			
3. Institutional Investors.			
a. Mutual Funds and UTI	2	26650	0.247
b. Banks, Financial Institutions ,Insurance Companies, Central/ State Govt	1	500000	4.634
c. FIIs	Nil	Nil	Nil
Sub Total (B)	3	526650	4.881
4. Others	Nil	Nil	Nil
a. Private Corporate Bodies.	5	18450	0.171
b. Indian Public	185	33500	0.311
c. NRIs/ OCBs	1	20	0.000
d. Any others	Nil	Nil	Nil
Sub Total(C)	191	51970	0.482
Grand Total (A+B+C)	205	10788886	100

- **Dematerialisation of Shares:**

The shares of your Company are not dematerialized. The Company is in process to avail connectivity from NSDL.

- **Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity:** Not issued.

- **Plant Locations:** 241, Village Bebedohal, Tal. Maval, Dist. Pune 411 507

- **Address for correspondence:** Shareholders' correspondence can be addressed to:
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 /
Fax: 022-28512885

- **Name Designation and Address of the Compliance officer:**

Mr. Amit Chaudhary, 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
Phone: 020-66206581
Fax : 020-66206582
Email: gangapapers@gmail.com

9. OTHER INFORMATION

- **CEO/CFO Certification:**

Pursuant to provision of sub-clause V of Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited, the Managing Director/ Manager (CEO) and the whole time Finance Director (CFO) have issued a certificate to the Board of Directors for the financial year 2011-2012.

- **Risk Management**

The Company has laid down a broad framework to assess and understand various types of risks associated with the business. It lays down its hands towards suggesting and implementing various ways to minimize and evade such risks for the smooth functioning of the business.

- **Accounting Standards**

The Company has adopted accounting treatments which are in conformation with those prescribed by the Accounting Standards.

- **Insider Trading**

The Company has a comprehensive code of conduct with its Directors, Management and Executives to prevent insider trading as required by the SEBI regulation. In this regards, the Company lays down certain procedures and disclosures to be made while dealing with the securities of the Company.

ANNEXURE I

DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING COMPLIANCE WITH THE CODE OF CONDUCT

In accordance with Clause 49 I(D) of the Listing Agreement with the Bombay Stock Exchange Limited, I hereby confirm that all the Board of Directors and Senior Management personnel of the Company have affirmed to the compliance with the Code of Conduct for the year ended 31st March, 2012.

For **GANGA PAPERS INDIA LIMITED**

(Sandeep Kanoria)

MANAGING DIRECTOR

Date: 03.09.2012

Place: Pune

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 granted loan to M/s Ganga Hitech Steels Ltd of Rs 81400000.00, a party 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. 10,83,55,000.00/- and the year end balance of loans taken from such parties was Rs. 8,99,33,859.00/-. 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 of 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.22,31,89,924.38/- at the end of the financial year and has not incurred any cash losses during the year ended 31.03.12. As per information given by the management, the case of the company is pending in the Hon' able BIFR for issues related to Coal Linkage and old dues of sales tax Department.
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 and on behalf of
V.K.Jindal & Co.
Chartered Accountants

V.K.JINDAL
Partner
Membership No: 70666

Date: 3.09.2012
Place : Pune

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 2012.

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 except for the details mentioned in the report on Corporate Governance.

We Further state that, such compliance is neither as 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

V.K.JINDAL
Partner
MembershipNo: 70666

Date: 3.09.2012
Place : Pune

**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 2012 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 representation received from the directors, as on 31st March 2012 and taken on record by Board of Director's we report that none of the director's is disqualified as on 31st March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act,1956.
 - (vi) 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 read 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 2012
- 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: 3.09.2012
Place: Pune

(V.K. Jindal)
Partner

GANGA PAPERS INDIA LIMITED

Statement of Profit & Loss for the Year ended on 31st March,2012

PARTICULARS	Note No.	As on 31.03.2012	As on 31.03.2011
I. CONTINUING OPERATIONS			
Revenue from Operations (Gross)		688,271,558.00	626,571,106.00
Less Excise Duty & VAT		48,032,820.95	43,468,436.00
Net Sales	12	640,238,737.05	583,102,670.00
Other Income	13	2,057,635.00	3,934,768.00
Total Revenue		642,296,372.05	587,037,438.00
II. Expenses			
Material Consumed	14	437,065,407.38	396,459,317.03
Manufacturing Expenses	15	149,473,406.79	130,713,942.71
Change in Inventories of finished goods & work in progress	16	-12,582,691.00	-8,380,716.00
Employee's Emoluments	17	3,800,046.09	2,966,065.57
Selling & Distribution Expenses	18	7,249,603.58	8,966,319.14
Other Expenses	19	2,690,262.37	2,831,991.90
Financial Expenses	20	22,644,254.00	9,576,321.34
Total Expenses		610,340,289.21	543,133,241.69
Profit before Depreciation and Tax		31,956,082.84	43,904,196.31
Less: Depreciation		4,487,770.84	5,297,187.53
Miscellaneous Expenditure written off		0.00	0.00
Prior period item		0.00	0.00
Profit for the year before Tax		27,468,312.00	38,607,008.78
Less: Tax Expenses Current Tax		0.00	0.00
Deferred Tax		750,011.00	635,364.00
Profit for the year after Tax		26,718,301.00	37,971,644.78
Profit transfer to Balance Sheet		26,718,301.00	37,971,644.78
Basic & Diluted Earnings Per Share(Rs.)		2.48	3.52
Notes to the Accounts	21		

Subject to our separate report of even date

For V.K. Jindal & Co.
Chartered Accountants

(V.K.JINDAL)
Partner

Ramesh Chaudhary
Chairman

Sandeep Kanoria
Managing Director

Date:3.09.2012

Place: Pune

GANGA PAPERS INDIA LIMITED

Balance Sheet as at 31st March, 2012

PARTICULARS	Note No.	As on 31.03.2012	As on 31.03.2011
I. EQUITY & LIABILITIES			
1. Shareholders Funds			
a. Share Capital	1	107,888,860.00	107,888,860.00
b. Reserve & Surplus	2	144,157,672.72	144,157,672.72
c. Profit and Loss Account	3	-223,189,924.38	-249,908,225.38
		28,856,608.34	2,138,307.34
2. Non Current Liabilities			
a. Long term Debt	4	179,885,939.36	187,782,289.36
b. Deferred Tax (Net)		8,065,508.56	7,315,497.56
		187,951,447.92	195,097,786.92
3 Current Liabilities			
a. Short term Borrowings	5	130,028,478.60	85,877,761.80
b. Other Short term Liabilities	6	9,463,685.00	36,842,916.00
c. Trade Payables		44,812,178.15	34,235,693.86
d. Short Term Provisions		3,432,339.00	2,980,672.00
		187,736,680.75	159,937,043.66
Total		404,544,737.01	357,173,137.92
II ASSETS			
1 Non Current Assets			
a. Fixed Assets			
(i) Tangible assets			
a. Gross Block		388,051,956.71	386,943,242.46
b. Less: Depreciation		326,324,642.46	321,836,871.62
(ii). Capital Work-in Progress		16,868,238.00	3,357,999.00
Net Block (a+b+c)		78,595,552.25	68,464,369.84
2 Non Current Investment	8	154,750.00	154,750.00
3 Long Term Loan & Advances	9	81,400,000.00	
4 Other non Current Assets	10	29,812,132.25	18,816,061.25
5 Current Assets,	11		
a. Inventories		160,265,745.00	113,287,875.00
b. Trade Receivables		48,645,114.00	55,463,785.00
c. Cash and Bank Balances		1,364,932.00	62,551,208.23
d. Other Current Assets		4,306,511.51	38,435,088.60
		214,582,302.51	269,737,956.83
Total		404,544,737.01	357,173,137.92
Notes to the Accounts	21		

Page 1

Subject to our separate report of even date

For V.K. Jindal & Co.
Chartered Accountants

(V.K.JINDAL)
Partner

Ramesh Chaudhary
Chairman

Sandeep Kanoria
Managing Director

Date: 3.09.2012

Place: Pune

GANGA PAPERS INDIA LIMITED

Notes Forming part of the Accounts as at and for the year ended 31st March 2012

PARTICULARS	As on 31.03.2012	As on 31.03.2011
Note '1' : Share Capital		
Authorised :		
11,000,000 Equity Share of Rs. 10/-each	110,000,000.00	110,000,000.00
Issued,Subscribed and Paid Up :		
10788886 Equity Share of Rs. 10/-each	107,888,860.00	107,888,860.00
Total	107,888,860.00	107,888,860.00
List Shareholder holding more than 5 per cent share		
Name	No of Shares	
1 RAS polytex P Ltd	4065000	
2 Ganga Pulp & Papers P Ltd	4672500	
Note '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	103,800,972.72
Capital Reserve Account	6,026,500.00	6,026,500.00
	114,327,472.72	114,327,472.72
Share Premium	29,830,200.00	29,830,200.00
Total	144,157,672.72	144,157,672.72
Note '3' Profit and Loss Account:		
Profit and Loss Account:		
Balance as per last Balance Sheet	-249,908,225.38	-287,879,870.16
Less:Profit/Loss transferred from P/L A/c	27,468,312.00	38,607,008.78
Current tax Liabilities	0.00	0.00
Deffered tax	750,011.00	635,364.00
Total	-223,189,924.38	-249,908,225.38

Page 1

GANGA PAPERS INDIA LIMITED

Notes Forming part of the Accounts as at and for the year ended 31st March 2012

PARTICULARS	As on 31.03.2012	As on 31.03.2011
Note '4' : Long Term Debt		
Interest free Deferred Sales Tax Loan	89,952,080.36	97,808,430.36
Inter Corporate Deposit	89,133,859.00	89,173,859.00
Loan from Director	800,000.00	800,000.00
Total	179,885,939.36	187,782,289.36
Current Liabilities:		
Trade Payables	44,812,178.15	34,235,693.86
Note 4 Working Capital		
From Bank of Baroda, Cash Credit Account (Secured against the hypothecation of Stock & Book Debts)	49,383,862.60	-1,642,780.20
From Bank of Baroda, Buyers Credit	80,644,616.00	87,520,542.00
Total	130,028,478.60	85,877,761.80
Note 5 Other Short Term Liabilities		
Current maturities of long term Debt	7,856,350.00	6,265,274.00
Other Current Liabilities	1,607,335.00	3,150,707.00
Forward Contract Amount Payable	0.00	27,426,935.00
	9,463,685.00	36,842,916.00
Provision for Expenses	3,432,339.00	2,980,672.00
Total	12,896,024.00	39,823,588.00

Page 2

GANGA PAPERS INDIA LIMITED

Notes Forming part of the Accounts as at and for the year ended 31st March 2012

PARTICULARS	As on 31.03.2012	As on 31.03.2011
Note '7' : Fixed Assets		
Fixed Assets (as per annexure)	78,595,552.25	68,464,354.00
Total	78,595,552.25	68,464,354.00
Note '8' 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	154,750.00	154,750.00
Note 9 Long term loan & advances	81,400,000.00	0.00
Note 10 Other Non Current Assets		
i Balances with revenue Authrites	8,430,398.25	8,045,375.25
ii. Advance to Suppliers of Machinery	9,514,934.00	5,841,388.00
iii Sundry Deposits	11,866,800.00	4,929,298.00
Total	29,812,132.25	18,816,061.25

Page 3

GANGA PAPERS INDIA LIMITED

Notes Forming part of the Accounts as at and for the year ended 31st March 2012

PARTICULARS	As on 31.03.2012	As on 31.03.2011
Note '11' Current Assets		
a.Inventories :		
Inventories as taken, valued and certified by the management		
i.Raw Materials	83,263,304.00	64,817,495.00
ii.Packing Materials	475,320.00	411,070.00
iii.Consumable Stores	43,385,903.00	27,500,783.00
iv.Materials in process	9,240,950.00	9,576,160.00
vi.Finished goods	23,900,268.00	10,982,367.00
Total	160,265,745.00	113,287,875.00
b.Trade Receivables :		
(a) Secured, Considered good;	0.00	0.00
(b) Unsecured and considered good,		
i.Outstanding over 6 months	1,349,556.00	1,663,433.00
ii.Others	47,295,558.00	53,800,352.00
(c)Doubtful	0.00	0.00
	48,645,114.00	55,463,785.00
c.Cash and Cash Equivalents:		
Cash in Hand	1,202,001.00	44,998.00
Bank Balances		
i.Balance with Scheduled Banks in Current Account	162,931.00	62,506,210.23
Total	1,364,932.00	62,551,208.23
d.Other Current Assets:		
i.Balance with Revenue Authorities	1,118,152.00	1,181,117.00
Others	193,269.00	89,584.00
ii Advances to Suppliers	2,995,090.51	10,575,212.60
iii. Foreign Currency USD Receivable	0.00	26,589,175.00
Total	4,306,511.51	38,435,088.60
Total	214,582,302.51	269,737,956.83

Page 4

GANGA PAPERS INDIA LIMITED

Notes Forming part of the Accounts as at and for the year ended 31st March 2012

PARTICULARS	As on 31.03.2012	As on 31.03.2011
Note '12' Sales & Other Income:		
Sales		
Sale of Paper	639,692,598.05	582,196,598.00
Sale of Waste Paper	546,139.00	906,072.00
	640,238,737.05	583,102,670.00
Note 13 Other Income:		
i.Output Insurance Charges	1,427,243.00	1,199,951.00
ii.Foreign Exchange Gain		2,395,455.00
iii. Foreign Exchange Discount		122,722.00
iv.Interest Received on FDR	630,392.00	216,640.00
Total	2,057,635.00	3,934,768.00
Note 14 Raw Materials Consumed:		
Opening Stock		
i.Raw Materials	64,817,495.00	42,069,948.00
ii.Packing Materials	411,070.00	1,133,302.00
iii. Consumable Stores	16,171,553.00	13,058,343.00
Sub Total a	81,400,118.00	56,261,593.00
Add:Purchases		
i.Raw Materials	429,220,943.68	392,761,620.61
ii.Packing Materials	6,208,687.12	5,808,179.43
iii. Consumable Stores	21,439,203.58	23,028,041.99
Sub Total b	456,868,834.38	421,597,842.03
Less: Closing Stock		
i.Raw Materials	83,263,304.00	64,817,495.00
ii.Packing Materials	475,320.00	411,070.00
iii. Consumable Stores	17,464,921.00	16,171,553.00
Sub Total c	101,203,545.00	81,400,118.00
A : Consumption of Raw Materials (a+b+c)	437,065,407.38	396,459,317.03

Page 5

GANGA PAPERS INDIA LIMITED

Notes Forming part of the Accounts as at and for the year ended 31st March 2012

PARTICULARS	As on 31.03.2012	As on 31.03.2011
Note 15 Manufacturing Expenses:		
i.Wages and Labour Charges	3,120,621.19	987,190.78
ii.Water Charges	1,167,631.00	3,671,819.00
iii.Manufacturing charges	4,344,096.00	3,875,701.00
iv.Power & Fuel	139,284,756.60	119,018,926.93
v.Machinery Repairs & Maintanance	1,438,980.00	2,759,421.00
vi.Factory Repairs & Maintanance	117,322.00	400,884.00
B.Total Manufacturing Expenses	149,473,406.79	130,713,942.71
Note 16 (Increase /Decrease in Stocks:		
Stocks at close		
i.Work in process	9,240,950.00	9,576,160.00
ii.Finished Goods	23,900,268.00	10,982,367.00
Sub Total a	33,141,218.00	20,558,527.00
Stock at Opening		
i.Work in Process	9,576,160.00	568,000.00
ii. Finished goods	10,982,367.00	11,609,811.00
Sub Total b	20,558,527.00	12,177,811.00
C:(Increses) /Decrease in Stocks:(b-a)	-12,582,691.00	-8,380,716.00
Total (A+B+C)	573,956,123.17	518,792,543.74
Note '17' Employees Emoluments		
Salaries, Wages, Bonus etc	2,206,255.09	1,474,687.57
Security Service Charges	921,791.00	1,027,378.00
Contribution for Labour Welfare	312,000.00	104,000.00
Director Remuneration	360,000.00	360,000.00
	3,800,046.09	2,966,065.57
Note '18' : Selling & Distribution Expenses :		
Commission on Sales	132,522.00	2,970,998.00
Rebate & Discount	6,981,241.58	5,834,371.14
Freight Outward	135,840.00	160,950.00
Total	7,249,603.58	8,966,319.14

GANGA PAPERS INDIA LIMITED

Notes Forming part of the Accounts as at and for the year ended 31st March 2012

PARTICULARS	As on 31.03.2012	As on 31.03.2011
Note ' 19' : Other Expenses :		
Printing & Stationary	114,841.37	81,519.90
Rates & Taxes	1,023,508.00	716,931.00
Telephone & Postage Expenses	250,918.00	290,077.00
Insurance	115,876.00	155,566.00
Legal & Professional charges	450,584.00	368,474.00
Travelling & Conveyance	355,855.00	594,607.00
Listing and Filing Fees	82,142.00	16,957.00
Interest on Duties & Taxes	5,603.00	1,113.00
Audit Fees and expenses	28,090.00	27,575.00
Miscellaneous Expenses	24,000.00	605.00
Advertisement Expenses	194,046.00	257,169.00
Charity & Donation	2,000.00	210,000.00
Dipawali Expenses	42,799.00	111,398.00
Total	2,690,262.37	2,831,991.90
Note ' 20' : Financial Costs :		
Interest & Commitment Charges		
i. Bank Interest	4,452,325.00	5,688,979.00
ii. Bank Charges	365,247.00	2,669,811.34
iii. Foreign Exchange Loss	14,522,139.00	1,186,589.00
Iv. Foreign Exchange Premium		30,942.00
v. Other borrowing cost	3,304,543.00	
Total	22,644,254.00	9,576,321.34

GANGA PAPERS INDIA LIMITED

Cash Flow Statement As On 31.3.2012

	For The Year 2011-12	For The Year 2010-11
A. <u>Cash Inflow (Outflow) from the operating Activities Net Profit After Tax And Ordinary Activity (A) Adjustments For Add/(Less)</u>	274.68	386.07
DEPRECIATION	44.88	52.97
DEPRECIATION ON ASSETS WRITE OFF	0.00	0
PROVISION FOR FBT	0.00	-
FINANCIAL CHARGES	81.22	83.59
INTEREST ON FDR	(6.30)	(2.17)
FOREIGN EXCHANGE FLUCTUATION	145.22	(13.01)
OTHER INCOME	(14.27)	(12.00)
SUB TOTAL ADJUSTMENT (B)	250.74	109.38
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES (A)+(B)ADJ	525.43	495.45
INVENTORIES	(469.78)	(379.27)
SUNDRY DEBTORS	68.19	(41.80)
OTHER CURRENT ASSETS	341.29	(255.50)
LOANS & ADVANCES	(923.96)	(138.79)
CURRENT LIABILITIES	(168.03)	482.54
PROVISION FOR EXPENSES	4.52	6.04
WORKING CAPITAL LOAN FROM BANKS	441.51	619.35
SUB TOTAL ADJUSTMENT (D)	(706.27)	292.57
CASH GENERATED FROM OPERATIONS E (C-D)/(C+D)	(180.84)	788.02
FINANCIAL CHARGES	(81.22)	(83.59)
OTHER INCOME	14.27	12.00
SUB TOTAL (F)	(66.95)	(71.59)
CASH FLOW BEFORE EXTRAORDINARY ITEMS	(247.79)	716.43
EXTRAORDINARY ITEMS/ PRIOR PERIOD ITEAM	0.00	-
FOREIGN EXCHANGE FLUCTUATION	(145.22)	13.01
CAPITAL REDUCTION	0.00	0
SUB TOTAL ADJUSTMENT FOR (E)	(145.22)	13.01
NET CASH FROM OPERATING ACTIVITIES	(393.01)	729.44
B. <u>Cash Inflow (Outflow) from the Investment Activities</u>	0.00	0
CAPITAL EXPENDITURE	(146.19)	(89.40)
INTEREST RECEIVED	6.30	2.17
NET Cash Inflow (Outflow)from the Investment Activities	(139.89)	(87.23)
C. <u>Cash Inflow (Outflow)from the Financial ACTIVITIES</u>	0.00	0
INCREASE/(DECREASE)IN SECURED LOANS	0.00	0
INCREASE/(DECREASE)IN FIXED AND BANK DEPOSIT	623.43	(641.92)
INCREASE/(DECREASE)IN UNSECURED LOANS	(78.96)	(14.00)
ISSUE OF SHARE CAPITAL	0.00	0
NET Cash Inflow (Outflow) USED In the Financial ACTIVITIES	544.47	-655.92
Net CASH & CASH EQUIVALENT	11.57	-13.70
CASH & CASH EQUIVALENT AS AT (OPENING BALANCES)	0.45	14.15
CASH & CASH EQUIVALENT AS AT (CLOSING BALANCES)	12.02	0.45

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

(V.K.JINDAL)
Partner

Ramesh Chaudhary
Chairman

Sandeep Kanoria
Managing Director

Date:3.09.2012
Place: Pune

GANGA PAPERS INDIA LIMITED

Schedule Forming part of the Accounts as at and for the year ended 31st March,2012

Note. 7 : Fixed Assets

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	OPENING	ADDITIONS	DEDUCTIC	TOTAL	OPENING	DURING	DEDUCTION	CLOSING	PREVIOUS	CURRENT
	01.04.2011	(Rs.)	(Rs.)			YEAR			YEAR (Rs.)	YEAR (Rs.)
									31-03-2011	31-03-2012
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	24658261.04	2091969.00	-	26750230.04	40650131.41	38558162.41
Plant & Machinery	302285289.52	1108714.25	-	303394003.77	287240697.97	1955829.72	-	289196527.69	15044591.55	14197476.08
Electrical Installations	8053827.87	-	-	8053827.87	5489503.71	213226.46	-	5702730.17	2564324.16	2351097.70
Furnitures, Fixtures & Office Equipment	4865840.62	0.00	-	4865840.62	4406636.41	128969.66	-	4535606.07	459204.21	330234.55
Vehicle	864512.00	-	-	864512.00	41772.49	97776.00	-	139548.49	822739.51	724963.51
Capital Work In Progress	3357999	13510239.00	-	16868238.00	0.00	0.00	-	0.00	3357999.00	16868238.00
Total	386943242.46	14618953.25	-	404920194.71	321836871.62	4487770.84	-	326324642.46	68464369.84	78595552.25

GANGA PAPERS INDIA LIMITED
NOTES TO BALANCE SHEET AS AT 31ST MARCH 2012
NOTE '21': 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.

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 & Spares : 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.
- Consumables : 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 inclusive of excise duty & VAT.

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 assumptions 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. 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.

2. 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.

3. 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.

4. 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	Ganag Pulp & Papers Pvt.Ltd.	Control Exist
2	Satabadi Vinimay 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) Ganga Pulp & Papers Pvt.Ltd.	Unsecured Loan	10,83,55,000.00

5. Earning Per Share:

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

Sr.No.	Particulars	31.03.2012
1	Net profit/(Loss) as per Profit & Loss A/c	2,67,18,301.00(Rs)
2	Weighted Average number of Equity Shares	1,07,88,886
3	Earning per Share	2.48(Rs)

6. 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.

7. 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

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

9. 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 made.

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

Particulars	31.03.2012	31.03.2011
Sales Tax Deferral Scheme	97808430.36	104073704.36

Further Rs 1,87,34,515.00 has been demanded by Sales Tax Department as Assessment dues pertaining to period 1993-94 to 2003-04 which has not been acknowledged as debt by the company as the matter is pending under BIFR

11. Miscellaneous Notes :

- Previous Year's figures have been regrouped and rearranged wherever necessary to confirm with current year's presentation.

12. 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. The company case is pending before hon'ble B.I.F.R. for matters related to Coal Linkage and old dues of sales tax department.

13.C.I.F. Value of Import :	Amount (Rs.)
i) Raw Material :	11,64,59,045.00
ii) Components & Spare parts	3,63,246.00
iii) capital Goods	6,27,685.00

14.Earnings in Foreign Currency: Nil

15.Managing Directors remuneration, Perquisites Etc.:

	Particulars	31.3.2012	31.03.2011
a)	Remuneration to MD	360000.00	360000.00
b)	Perquisites to MD	Nil	Nil

16. Auditors Remuneration :

	Particulars	31.03.2011	31.03.2010
a)	For Statutory Audit	28090	27575
b)	For Tax Audit	Nil	Nil

Date : 03.09.2012
Place Pune

for V.K.Jindal & Co.
Chartered Accountants

(V.K.Jindal)
Partner