

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 Sixth Annual General Meeting of the Members of the Company will be held on Thursday, the 30th day of September 2010 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 2010 and the Profit & Loss Account for the year ended 31st March 2010 and Director's and Auditor's report thereon.
2. To appoint a director in place of Mr. Sandeep Kanoria, who retire by rotation and being eligible offers himself for re-appointment
3. To appoint a director in place of Mr. Ramesh Chaudhary, who retire by rotation and being eligible offers himself for re-appointment
4. To appoint Auditors and to authorise the Board to fix their remuneration.

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Place: Pune

Date: 01.09.2010

SD/-

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 MONDAY, SEPTEMBER 27, 2010 TO THURSDAY, SEPTEMBER 30, 2010

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

Particulars	Mr. Sandeep Kanoria	Mr. Ramesh Chaudhary
Date of Birth	20.08.1964	23.07.1952
Date of Appointment	03.04.2006	03.04.2006
Qualifications	Bachelor's degree in Commerce	Master's degree in Arts
Expertise in Specific functional area	Wide Experience in Paper Industry	Wide Experience in Paper and Other Industries
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	90,000	Nil

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DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting the 26th Annual Report together with audited accounts for the financial year ended March 31, 2010.

1. FINANCIAL RESULTS

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

Particulars	Amount (Lacs)	
	2009 – 2010	2008 – 2009
Total Income	4181.27	3943.86
Total Expenditure	3935.83	3748.03
Profit before depreciation, tax and prior period items	245.44	195.83
Less: Depreciation	78.05	177.41
Less: Prior period items	0.250	885.18
Profit/ (Loss) for the year before tax	167.14	(866.77)
Tax expenses	0.170	303.02
Profit/ (Loss) after tax	166.97	(563.97)

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. There has been significant increase in the production by 21% over last year, but still optimum utilization is 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 are confident that the future for Indian industry is brighter with lot of potential for growth and prosperity.

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. Sandeep Kanoria and Mr. Ramesh Chaudhary, Directors retires by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

5. 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 to hold office till the conclusion of next Annual General Meeting.

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: 01.09.2010

SD/-

(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 2010.

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.

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	10030058 kwh	9871720 kwh
Total Amount	Rs. 5,18,33,680/-	Rs.4,57,00,057/-
Rate/unit	Rs. 5.16/unit	Rs. 4.62/unit
(b) Own Generation		
(i) Through Diesel Generator		
(ii) Through steam turbine / generator	3232486 kwh	2965823 kwh

2. Coal (specify quality and where used)		
Quantity (tones)	11163 MT	9490 MT
Total Cost	3,84,27,882/-	3,74,85,500/-
Average Rate	Rs. 3442/-	Rs. 3950/-
3. Furnace Oil	NIL	Nil
4. Others	NIL	Nil
B. Consumption per unit of production	Current Year	Previous Year
Products (with details) unit		
Electricity	623.73 unit/MT	732.90 unit/ MT
Furnace Oil		
Coal (specify quality)	524.99 Kg/ MT	541.8 Kg /MT
Others (specify)		

2. TECHNOLOGY ABSORPTION

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

1. Research & Development (R & D)

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

2. Technology absorption, adaptation and innovation: NIL

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

3. FOREIGN EXCHANGE EARNINGS & OUTGO

- The Company has not commenced any major export activities and the earnings in foreign currency during the year under review is Nil.
- Total CIF Value of Imports during the year was Rs. 96,144,763 /-

MANGEMENT DISCUSSION & ANALYSIS REPORT

1 INDUSTRY STRUCTURES & DEVELOPMENT

The financial year 2009-10 began amidst global financial slowdown. The recovery was achieved despite a negative growth in agricultural sector. Manufacturing sector was the growth driver for this recovery.

Your Company has been working through this demanding situation to ensure that we move forward and this attempt is meeting with success at various ends. The Company sticks to its commitment of working with the aim to earn more profitability.

2 OPERATIONS & FINANCIAL PERFORMANCE

The operations of the Company are improved and the management is striving to achieve better results. There has been increase in the production by 21% 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	2009 – 10	2008 – 09
Sales (Rs. In Lacs)	4170.47	3923.34
EBIDTA (Rs. In Lacs)	320.90	262.98

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