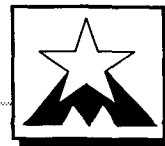




MADHYADESH PAPERS LTD.
15TH ANNUAL REPORT 2007-2008

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MADHYADESH PAPERS LIMITED

BOARD OF DIRECTORS :

SHRI VINOD MAHESHWARI	Chairman
SHRI NIMISH V. MAHESHWARI	Managing Director
Dr. S. L. KESWANI	Director
SHRI KIRAN SOMALWAR	Director
SHRI VINAY PANSARI	Director

AUDITORS :

M/S. KHATRI & IYER,
Chartered Accountants,
117, Zal Complex,
Residency Road, Sadar,
Nagpur - 440 001.

BANKERS :

STATE BANK OF INDIA
Industrial Finance Branch,
Bharat Nagar,
Nagpur - 440 010.

THE FEDERAL BANK LIMITED
Ramdaspath, Nagpur - 440 010.

REGD. OFFICE :

NAVA BHARAT BHAVAN,
Chatrapati Square, Wardha Road,
Nagpur - 440015.
PH. : 0712 - 2284013, 2284014.
FAX : 0712 - 2284015.

PLANT :

Village : Manegaon
Taluka : Saoner
Dist. : Nagpur
PH. : 07113 - 232401
FAX : 07113 - 232400

MADHYADESH PAPERS LIMITED



NOTICE TO MEMBERS

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Members of MADHYADESH PAPERS LIMITED will be held on Monday, the 22nd September, 2008 at 10.00 A.M. at Nava Bharat Bhavan, Chhatrapati Square, Wardha Road, Nagpur - 440 015, to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2008 and the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To re-appoint a Director in place of Shri Vinod R. Maheshwari who retires by rotation and being eligible, offers himself for reappointment.
3. To re-appoint a Director in place of Shri Kiran Somalwar who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

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Registered Office :

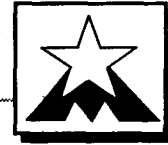
Nava Bharat Bhavan,
Chhatrapati Square,
Wardha Road,
NAGPUR - 440 015

By Order of the Board,

Nimish V. Maheshwari
Managing Director

Dated : July 31, 2008

MADHYADESH PAPERS LIMITED



NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**
2. The Register of Members and Share Transfer Books of the Company will remain closed on Wednesday, the 22nd September, 2008.
3. Members are requested to :
 - a) Intimate the Company the changes, if any, in their registered addresses along with *Pin Code Number*.
 - b) Quote their Folio Number.
4. Members who have multiple folios with identical order of names are requested to intimate the Company so as to enable it to consolidate all shareholdings into one folio.
5. A blank proxy form is sent herewith.
6. The instrument appointing proxy should however, be deposited at the Registered Office of the Company not less than 48 hours before the time appointed for the Meeting.
7. Shareholders requiring information about Accounts to be explained in the Meeting are requested to inform the Company at least 7 days in advance from the date of Meeting.
8. Members are requested to bring their copies of the Annual Report to the Meeting.
9. The Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
10. Members are requested to make all correspondence relating to share transfer (both in Physical & Demat form) to our Share Transfer Agent, M/s. Adroit Corporate Services Pvt. Ltd., 19, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Mumbai - 400 059.

MADHYADESH PAPERS LIMITED

Information pursuant to Corporate Governance Clause of the Listing Agreement(s) regarding the Directors seeking appointment / re-appointment in Annual General Meeting.

Name of Director	Shri Vinod Maheshwari	Shri Kiran Somalwar
Date of Birth	17.10.1944	30.04.1954
Date of Appointment	20.04.1993	31.07.2003
Expertise in specific functional areas	Mr. Vinod Maheshwari, is the Chairman of Madhyadesh Papers Ltd. He is also the Managing Editor of "Nava Bharat" a renowned hindi daily covering three major states namely Maharashtra, Madhya Pradesh & Chattisgarh. The activities related to printing & publishing of Newspaper "Nava Bharat" for Nagpur & Mumbai editions are handled by Mr. Vinod Maheshwari. He is a dynamic & intelligent industrialist possessing rich experience of over 40 years in Newspaper Industry.	He is a renowned Business Man having sound financial & accounting knowledge with rich experience of over 22 years in business.
Directorships of other Public Limited Companies as on 31st March, 2008.	1) Nava Bharat Press Ltd. 2) Madhyadesh Global Network Ltd. 3) Madhyadesh Industries Ltd. 4) Dhoot Compack Ltd.	Nil
Chairman / Member of the Committees of other Companies as on 31st March, 2008	Nil	Nil
No. of shares held	10,67,400	5,000

MADHYADESH PAPERS LIMITED**DIRECTORS' REPORT**

To the Members of '**MADHYADESH PAPERS LIMITED**'

Your Directors have pleasure in presenting their Fifteenth Annual Report and Audited Statement of Accounts for the year ended 31st March, 2008.

FINANCIAL RESULTS :

(RUPEES)

SALES AND OTHER INCOME		<u>41,11,80,548</u>
Gross Profit		5,90,33,887
Less : Financial Charges	3,15,52,208	
Depreciation	<u>2,35,74,561</u>	
		<u>5,51,26,769</u>
		39,07,118
Add : Prior Period Adjustments		<u>(12,34,760)</u>
Profit Before Tax		26,72,358
Less : Provision For Taxation		<u>5,50,676</u>
Profit After Tax		21,21,682
Add : Surplus Brought Forward		6,17,02,993
Balance carried forward		<u><u>6,38,24,674</u></u>

REVIEW OF OPERATIONS :

During the year under review, the performance of your company was hampered due to several factors, major one being rectification of problem related to Turbine Rotor assembly resulting in stoppage of operations for more than a month. This had an adverse impact on the operations of your company resulting in reduction of production capacity from 23543.776 MT in the previous year to 20873.839 MT in the current year. Consequentially, the Sales Turnover of your company also fell from Rs. 45.19 Crores in the previous year to Rs. 40.54 Crores in the current year resulting in reduction in Net profits from Rs. 229.21 Lacs in the previous year to Rs. 21.22 Lacs in the current year. However, your Company is evaluating and implementing strategies to sustain its growth both in terms of production and profitability.

MADHYADESH PAPERS LIMITED



FUTURE OUTLOOK :

The present trend of rising domestic Newsprint market is going to continue in the coming years which would augment in improving sales realisations and will definitely mark a substantial increase in operational turnover & profitability for the coming years. The company is already implementing its plan for major re-modification & installation process control systems which would enhance the quality of the product and fetch more premium and market share. As envisaged earlier, the company is outlaying capital investment to the tune of Rs. 50.00 Lacs per year to further improve the capacity utilization.

DIVIDEND :

In view of reduced profitability and the need for sustaining growth of your Company, the Directors have not recommended any dividend for this year.

DIRECTORS :

Shri Vinod R. Maheshwari & Shri Kiran Somalwar who retire by rotation and being eligible, offer themselves for re-appointment.

AUDIT COMMITTEE :

The Company has already constituted an Audit Committee of its Board of Directors with specified terms of reference. Dr. S. L. Keswani is the Chairman of the Audit Committee. Shri Vinod Maheshwari, Shri Kiran Somalwar and Shri Vinay Pansari are the other members of the Audit Committee.

DEMATERIALISATION OF SHAREHOLDING :

The Company has already established electronic connectivity with both the depositories viz. National Depository Securities Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through its Registrar and Transfer Agent, M/s. Adroit Corporate Services Pvt. Ltd. As such, the shares of the Company are available for dematerialisation with both the Depositories.

LISTING OF SECURITIES :

The shares of the Company are presently listed on the Stock Exchange, Mumbai and the Stock Exchange, Ahmedabad. The Company has duly paid the listing fees to both the Exchanges for the financial year 2008-09

CORPORATE GOVERNANCE :

A report on corporate governance including Auditors' Certificate on compliance with the conditions of corporate governance under clause 49 of the listing agreement, is appended to this report as Annexure "B".

MADHYADESH PAPERS LIMITED



DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors to the best of their knowledge and belief hereby confirm that :

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii) appropriate accounting policies have been selected and applied consistently, and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2008 and of the profits of the Company for the year ended 31st March, 2008;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts have been prepared on a going concern basis.

AUDITORS :

M/s. Khatri & Iyer, Chartered Accountants, Nagpur will retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

COST AUDIT :

The audit of the Cost Accounts of the Company for the year ended 31st March 2008 is being conducted by the Cost Auditors and their report will be submitted to the Ministry of Company Affairs, Government of India.

MADHYADESH PAPERS LIMITED**PARTICULARS OF EMPLOYEES :**

None of the employees was in receipt of remuneration of Rs. 2,00,000/- or more per month during the year. Therefore, the particulars of employees as required under the provisions of section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not furnished.

OTHER PARTICULARS :

Information in accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the statement annexed hereto (Annexure 'A') and forms part of this report.

ACKNOWLEDGEMENTS :

Your Directors are pleased to place on record their sincere gratitude to the State Bank of India, The Federal Bank Limited, SICOM Limited, Government Authorities, Suppliers, Customers and Shareholders for their continued support and co-operation extended to the Company during the year.

Your Directors also express their deep appreciation for the sincere and devoted services rendered during the year by the workers, staff and executives at all levels of operations of the Company.

For and on behalf of the Board,

Place : Nagpur
Date : July 31, 2008

Vinod Maheshwari
Chairman