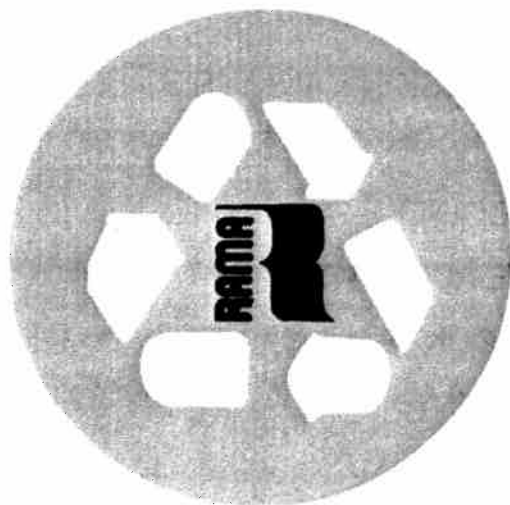


RAMA NEWSPRINT AND PAPERS LIMITED



**17TH ANNUAL REPORT
2007 - 2008**

CONTENTS

BOARD OF DIRECTORS	3
NOTICE	4
DIRECTORS' REPORT	9
MANAGEMENT DISCUSSION & ANALYSIS	20
BALANCE SHEET	22
PROFIT & LOSS ACCOUNT	23
SCHEDULES TO THE ACCOUNTS	24
NOTES TO THE ACCOUNTS	29
CASH FLOW STATEMENT	35
AUDITORS' REPORT	36
REPORT ON CORPORATE GOVERNANCE	38
PROXY FORM	39



BOARD OF DIRECTORS

Shree Kumar Bangur
Virendra Bangur
Vashu. J. Ramsinghani
K. L. Chandak
Amit Ramsinghani
M. P. Taparia
Sudarshan Somani
Haigreve Khaitan
Ashok Alladi
Anupam Verma
V. D. Bajaj

Chairman
Vice Chairman
Vice Chairman
Director
Director
Independent Director
Independent Director
Independent Director
(ICICI Bank Ltd. Nominee)
(ICICI Bank Ltd. Nominee)
Executive Director

Bankers

Bank of India
Oriental Bank of Commerce
Central Bank of India
Axis Bank Ltd.

Registered Office & Factory

Village : Barbodhan, Taluka : Olpad,
District : Surat, Gujarat – 395 005.

Corporate Office

Shreeniwas House, 3rd Floor,
Hazarimal Somani Marg, Fort,
Mumbai – 400 001
Ph. : 022-22016798/ 6825/ 6704/ 3807
Fax : 022-22016803
E – mail : ramanewsprint@ramanewsprint.com
Website : www.ramanewsprint.com

Registrar & Transfer Agent

INTIME SPECTRUM REGISTRY LTD
Unit : Rama Newsprint & Papers Ltd.
C – 13, Pannalal Silk Mills Compoud,
L.B.S Marg, Bhandup (W),
Mumbai – 400 078.
Ph. : 022 –25963838
Fax : 022 – 25946969

Auditors

Haribhakti & Co., Mumbai

Advocates & Solicitors

Khaitan & Co., Mumbai.

Vice President (F & A) &

Company Secretary

Girish Sharma

This Annual Report has been printed on Paper manufactured by **RNPL**

NOTICE

**ANNUAL REPORT
2007 - 2008**

NOTICE IS HEREBY GIVEN THAT THE 17th ANNUAL GENERAL MEETING OF THE MEMBERS OF RAMA NEWSPRINT AND PAPERS LIMITED WILL BE HELD ON 19th SEPTEMBER, 2008 AT 2.30 P.M. AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT VILLAGE : BARBODHAN, TALUKA : OLPAD, DISTRICT : SURAT, GUJARAT, TO TRANSACT THE FOLLOWING BUSINESS :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2008, Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Virendra Bangur, who retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.
3. To appoint a Director in place of Shri K. L. Chandak, who retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.
4. To appoint a Director in place of Shri Shree Kumar Bangur, who retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.
5. To appoint M/s. Haribhakti & Co., Chartered Accountants, retiring Auditors, as Statutory Auditors of the Company to hold office from conclusion of the ensuing Annual General Meeting till the conclusion of next Annual General Meeting and to authorize the Board of Directors to fix remuneration of the Statutory Auditors.

SPECIAL BUSINESS

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

"RESOLVED THAT Shri Sudarshan Somani who was appointed as an additional Director of the Company under Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting, and in respect of whom the company has received a notice in writing under section 257 of the Companies Act, 1956 from a member proposing name of Shri Sudarshan Somani as candidate for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

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

"RESOLVED THAT Shri Haigreve Khaitan who was appointed as an additional Director of the Company under Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting, and in respect of whom the company has received a notice in writing under section 257 of the Companies Act 1956 from a member proposing name of Shri Haigreve Khaitan as candidate for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

8. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, Schedule XIII, and all other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals, as may be required, consent of the Company be and is hereby granted for the following terms and conditions of remuneration of Shri V. D. Bajaj as Executive Director for the period from 1st April 2007 to 31st March 2010:-

(A) EMOLUMENTS :

- i) **Salary:** Rs.1,97,500/- (Rupees One Lakh Ninety Seven Thousand Five Hundred only) per month.
- ii) **Special allowance:** Rs. 8,000/- (Rupees Eight Thousand only) per month.

The Remuneration Committee is authorized to raise salary by giving annual increment on 1st January every year.

(B) PERQUISITES :

- i) **Housing:** Furnished accommodation with free electricity and water supply.
- ii) **Medical Reimbursement:** Medical and Hospitalization benefits for him and his family by way of reimbursement of expenses actually incurred, the total cost of which to the Company shall not exceed one month's salary in a year or three months' salary over a period of three years.
- iii) **Leave:** On full pay in accordance with the Rules of the Company.
- iv) **Leave Travel Concession:** For him and his family once in a year in accordance with the Rules of the Company.
- v) **Club Fees:** Fees and subscription of two clubs.
- vi) **Personal Accident Insurance:** Premium as per the Rules of the Company.
- vii) **Provident Fund:** Contribution to Provident Fund in accordance with the Rules of the Company.
- viii) **Gratuity:** One half month's salary for each completed year of service in accordance with the Rules of the company. The past period of his service as an Executive Director of

NOTICE

the Company will be reckoned for determining the completed years of service.

- ix) **Conveyance:** Provision of Car for use on the Company's Business. In case Car is not provided, then reimbursement of expenses incurred on conveyance up to Rs.60,000/- (Rs. Sixty Thousand only) per month.
- x) **Telephone:** Free telephone facility at residence.
- xi) **Other benefits** as are applicable to other senior executives of the Company (including but not limited to production /incentive bonus, ex-gratia, encashment of leave, subject to a maximum of Ninety days, compensatory allowance in accordance with the schemes of the Company).

"RESOLVED FURTHER THAT in the event of any modification or revision in the provisions of remuneration payable to whole time directors, as set out in Schedule XIII of the Companies Act, 1956 the Remuneration Committee of Directors shall be entitled at its discretion to revise the remuneration payable to Shri V. D. Bajaj from the date of such modification or revision, without any further reference to the Company in general meeting."

"RESOLVED FURTHER THAT the consent of the Company be and is hereby granted and deemed to have been granted to pay Shri V. D. Bajaj, in any accounting year closing on and after 1st April 2007 where the Company has no profits or its profits are inadequate, minimum remuneration by way of salary, perquisites and other allowances, on the terms and conditions mentioned above, and in accordance with the applicable provisions of Schedule XIII of the Companies Act, 1956 and subject to the approval of the Central Government, if required."

"RESOLVED FURTHER THAT the Board of Directors of the Company or a Committee thereof be and is hereby authorized to vary and/or revise the remuneration of the said Executive Director within the overall limits approved herein and settle any question or difficulty in connection therewith and incidental thereto."

By Order of the Board
For **RAMA NEWSPRINT AND PAPERS LIMITED**

Girish Sharma
Vice President (F & A) & Company Secretary

Mumbai, 17th July 2008

Registered Office:

Village : Barbodhan, Taluka : Olpad,
District : Surat, Gujarat – 395 005.

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.
2. Proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of the Meeting.
3. The Explanatory Statement Pursuant to section 173(2) of the Companies Act, 1956, is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from 10th September 2008 to 19th September 2008 (both days inclusive).
5. Members are requested to notify immediately any change in their Registered Address to the Company's Registrar, **INTIME SPECTRUM REGISTRY LIMITED**, Unit: Rama Newsprint & Papers Ltd, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai – 400078.
6. Members, who hold shares in de-materialized form are requested to bring their Client ID and DP ID Nos. for easier identification of attendance at the Meeting.
7. Shareholders seeking any information with regard to the Accounts are requested to write to the Company at an early date to enable the Management to keep the information ready.
8. The documents referred to in this Notice are open for inspection by any Member at the Registered Office of the Company during the Company's business hours on any working day upto the date of the Annual General Meeting and will also be available for inspection at the Meeting.
9. Investors / Shareholders are requested to kindly note that if physical documents viz. Demat Request Forms (DRF) and Share Certificates etc. are not received from their DPs by the Registrar within a period of 15 days from the date of generation of the DRN for dematerialization, the DRN will be treated as rejected/cancelled. This step is being taken on the advice of National Securities Depository Limited (NSDL), so that no demat request remains pending beyond a period of 30 days. Upon rejection / cancellation of the DRN, a fresh DRF has to be forwarded along with the Share Certificates by the DPs to the Registrar. This note is only to caution Investors/Shareholders that they should ensure that their DPs do not delay in sending the DRF and Share Certificates to the Registrar after generating the DRN.

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

ITEM NO. 6

The Board of Directors have appointed Shri Sudarshan Somani as an additional director of the Company on 28th December 2007. Shri Sudarshan Somani has expertise and wide experience in international commodity trading & terminal markets. He has dealt in soft & hard commodities specializing in non-ferrous metals, agricultural produce & waste papers. Shri Sudarshan Somani is holding office of director of the Company till the date of this Annual General Meeting. Shri Sudarshan Somani is eligible for the appointment. Your directors are of the opinion that appointment of Shri Sudarshan Somani will be in the interest of the Company and hence commend the same for approval of members.

None of the other Directors is interested in the Resolution.

ITEM NO. 7

Shri Haigreave Khaitan has been on the Board of the Company since 9th January, 2004 as Nominee Director of The West Coast Paper Mills Ltd. On withdrawal of his Nomination by The West Coast Paper Mills Ltd. w.e.f 27th June 2008, the Board of Directors have appointed Shri Haigreave Khaitan as an additional director of the Company on 27th June 2008. He has expertise in Commercial & Corporate laws, tax laws, mergers, and acquisitions, restructuring, foreign collaboration, licensing etc. Shri Haigreave Khaitan is holding office of director of the Company till the date of this Annual General Meeting. Shri Haigreave Khaitan is eligible for the appointment. Your directors are of the opinion that appointment of Shri Haigreave Khaitan will be in the interest of the Company and hence commend the same for approval of members.

None of the other Directors is interested in the Resolution.

ITEM NO. 8

The Board of Directors in its meeting held on 08th January, 2007 re-appointed Shri V. D. Bajaj as Executive Director for a further period of 4 (four) years w.e.f. 09th January, 2007. The remuneration and other terms & conditions were approved by the Remuneration Committee of the Board of Directors in its meeting held on 08th January, 2007. The re-appointment of Shri V. D. Bajaj as Executive Director and the terms and conditions of his remuneration were also approved by the members of the Company by way of an ordinary resolution in their meeting held on 27th September, 2007.

As per the terms and conditions of his re-appointment the Company was authorized to pay to Shri. V. D. Bajaj, in the event of no profits or inadequate profits, minimum remuneration by way of salary, perquisites and other allowances on the approved terms and in accordance with the applicable provisions of Schedule XIII of the Companies Act, 1956 and subject to the approval of the Central Government if required.

The Company had adequate profits in the Financial Year ended 31st March, 2007.

However, the performance of the Company during the year ended 31st March, 2008 as explained in the Directors' Report and Management Discussions and Analysis annexed, was adversely affected due to substantial increase in the cost of Raw Materials and power & fuel without a corresponding increase in the selling prices of finished products resulting in inadequate profits for the year ended 31st March, 2008. The market scenario has changed w.e.f April 2008 with newsprint prices rising substantially and the Company expects much better performance during 2008-09.

During the Financial Year ended 31st March, 2008, the Company paid remuneration to Shri V. D. Bajaj on the basis of the terms and conditions approved by the members in their meeting held on 27th September, 2007 which is well within the minimum remuneration limits in accordance with the applicable provisions of Schedule XIII of the Companies Act, 1956, subject to the approval / ratification by the members of the Company by way of special resolution.

The Terms of remuneration of Shri V.D. Bajaj for the period from 01st April, 2007 to 31st March, 2010 have been approved by the Remuneration Committee of the Board of Directors in their meeting held on 09th April, 2008 and 17th July, 2008 respectively. Your Directors are of the view that the terms of remuneration, already approved by the Members by way of ordinary resolution in the meeting held on 27th September 2007, are consistent with industry norms and accordingly commend the resolution for approval of members.

Shri V. D. Bajaj is interested in the Resolution since it concerns his own remuneration. None of the other Directors is interested in the resolution.

This Explanatory Statement together with the accompanying notice may be treated as an abstract of the terms of remuneration of Shri V.D.Bajaj, Executive Director and Memorandum of Interest under Section 302(7) of the Companies Act, 1956.

Information required under Clause (iv) of proviso to paragraph 1(B) of Section II of Part II of Schedule XIII of the Companies Act, 1956

I. General Information

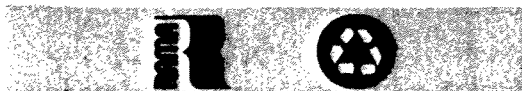
(i) Nature of Industry

The Company is engaged in the manufacture and sale of Newsprint and Writing & Printing Paper.

(ii) Date of commencement of commercial production.

The company commenced commercial production in August 1996.

NOTICE



(iii) In case of new companies, expected date of commencement of activities

Not applicable, as the Company is an existing company.

(iv) Financial performance based on given indicators

(Rs in Lacs)

	31.03.2006	31.3.2007	31.3.2008
Sales (Gross)	32436.26	35210.90	35648.37
Profit/ Loss before tax	(532.45)	3689.89	181.75
Profit/ Loss after tax	(559.95)	2452.34	106.59
Shareholders' Funds	35028.69	30427.50	30534.09

(v) Export Performance and net foreign exchange collaborations

The FOB value of the Company's exports was Rs.487.70 lacs in 2005-06, Rs 322.54 lacs in 2006-07 and Rs.68.82 lacs in 2007-08.

(vi) Foreign investments or collaborators, if any - NIL

II. Information about the appointee

(i) Background details

Shri V.D. Bajaj, Masters in Commerce – Gold Medalist with over 38 years of Industrial Experience in Paper Industry. He is an Executive Director of the Company since 9th January, 2004.

(ii) Past Remuneration

For the financial year 2006-07 Shri V.D. Bajaj's total remuneration was Rs.20.44 Lacs.

(iii) Recognition or awards/ Job Profile and his suitability

Shri V.D. Bajaj has managed the company ably over the past five years, despite the cyclicity of the business in which the company is engaged. In the opinion of the Board, he is eminently suited for the position he holds.

(iv) Remuneration proposed

The remuneration of Shri V.D. Bajaj is set out above.

(v) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person.

The substantive remuneration of Shri. V.D. Bajaj is not out of tune with the remuneration in similar sized industries in same segment of business.

(vi) Pecuniary relationship directly or indirectly with the company or relationship with managerial personnel, if any

Other than the remuneration stated above, Shri. V.D. Bajaj has no other pecuniary relationship directly or indirectly with the Company.

III. Other Information

(i) Reasons for inadequate profits

The performance of the Company during the year ended 31st March, 2008 as explained in the Directors' Report and Management Discussions and Analysis annexed, was adversely affected due to substantial increase in the cost of raw materials and power & fuel without a corresponding increase in the selling prices of finished products .

(ii) Steps taken or proposed to be taken for improvement

The market scenario has changed w.e.f April 2008 with newsprint prices rising substantially and the Company expects much better performance during 2008-09.

NOTICE

**ANNUAL REPORT
2007 - 2008**

DETAILS OF THE DIRECTOR SEEKING RE-APPOINTMENT IN FORTHCOMING ANNUAL GENERAL MEETING (In pursuance of Clause 49 of the Listing Agreement)

Name of Director	Shri Virendra Bangur	Shri K. L. Chandak	Shri Shree Kumar Bangur	Shri Sudarshan Somani	Shri Haigreve Khaitan
Date of Birth	19.03.1975	29.08.1946	16.11.1949	21.12.1963	13.07.1970
Qualifications	B.Com.	B.Com, ACA	B.Com.	B.Com	L.L.B
Expertise in specific functional areas	He is an Industrialist of repute with extensive experience of management and administration of corporate affairs.	He is Executive Director of The West Coast Paper Mills Ltd. A coveted rank-holder in India's Chartered Accountancy examination. He has Expertise in Finance and Accounts as well as general administration and management of Company Affairs.	An industrialist of repute with extensive experience of paper industry and general management of Corporate & Industrial affairs. He is also past president of Indian Paper Manufacturers Association. He is also a Committee Member of Federation of Indian Chamber of Commerce & Industry (FICCI), Indian Chamber of Commerce and Bharat Chamber of Commerce.	He has expertise and wide experience in international commodity trading & terminal markets such as London metal exchange. He has dealt in soft & hard commodities specialising in non-ferrous metals, agricultural produce & waste papers.	He is an Advocate and Solicitor of Khaitan & Co. having branches all over India. He is head of Khaitan & Co. for its Mumbai Office. He has expertise in Commercial & Corporate laws, tax laws, mergers and acquisitions, restructuring, foreign collaboration, licensing etc.
Directorship in Other Companies	Akhiva Tea Plantations & Agro Industries Limited, Gold Mohore Investment Company Ltd., Jayshree Chemicals Ltd., Orient Pratisthan Ltd., Tapania Tools Ltd., Union Company Ltd.	Bahubali Paper Ltd., The West Coast Paper Mills Ltd.	The West Coast Paper Mills Ltd., The Diamond Company Ltd., Jayshree Chemicals Ltd., The Kil Kotagiri Tea & Coffee Estates Co. Ltd., Mothola Company Ltd., Shree Satyanarayan Investments Co. Ltd., Union Company Ltd., Gloster Telecom Ltd., Hindustan National Glass & Industries Ltd., Laxmi Asbestos Products Ltd., Shree Satyanarayan Properties Pvt Ltd., Marwar Textiles (Agency) Pvt Ltd.	NIL	AVTEC Limited, Ceat Limited, Dhunseri Tea & Industries Ltd., Great Eastern Energy Corp. Ltd., Gujarat Borosil Ltd., Hindustan Composites Ltd., Khaitan Consultants Ltd., National Engineering Industries Ltd., Sterlite Optical Technologies Ltd., The Madras Aluminium Co. Ltd., The Oudh Sugar Mills Ltd., Xpro India Limited, I.E.G. (India) Ltd., Twenty-First Century Printers Ltd., Bennett, Coleman & Co. Ltd., Inox Leisure Ltd., Harisons Malayalam Ltd.
Membership of Committees of Board of other Companies	<u>Investor Grievance Committee:</u> Jayshree Chemicals Ltd.	<u>Audit & Shareholders Grievance Committee:</u> The West Coast Paper Mills Ltd.	<u>Remuneration Committee:</u> Jayshree Chemicals Ltd.	NIL	<u>Audit Committee:</u> AVTEC Ltd., Harison Malayalam Ltd., Bennett, Coleman & Co Ltd, Sterlite Optical Technologies Ltd., National Engineering Industries Ltd. <u>Sterlite Optical Tech. Ltd. Shareholders' Grievance Committee:</u> National Engineering Industries Ltd.
Shareholding in the Co.	NIL	6250	NIL	7,500	NIL

DIRECTORS' REPORT



To
The Members of
RAMA NEWSPRINT AND PAPERS LIMITED

Your Directors are pleased to present the 17th Annual Report and the Audited Accounts for the Financial Year ended 31st March 2008

FINANCIAL RESULTS

	(Rs. in lacs)	
	Year Ended 31.03.2008	Year Ended 31.03.2007
Sales (Net of Excise Duty)	35576.73	35198.25
Other Income	365.50	384.12
Profit before Interest and Depreciation	7017.62	9695.07
Less: Interest & Lease rent	3402.47	2705.27
Profit before Depreciation and Tax	3615.15	6989.80
Less: Depreciation	3433.40	3299.91
Less: Tax – Current (Fringe Benefit Tax)	20.05	20.23
Less: Deferred Tax	55.11	1217.34
Net Profit	106.59	2452.32

DIVIDEND

In order to conserve the resources for the Capex Plan, the Board has not recommended dividend for the year ended 31st March 2008.

PERFORMANCE

During the year under review, the Company continued its thrust to streamline and optimize the operation and was able to further improve its production and productivity at mills. The saleable production during the year was 1,38,771 MT (including 7,210 MT of Writing and Printing paper) against 1,33,144 MT (Newsprint only) in 2006-07. The capacity utilization rate improved from 101% in 2006-07 to 105% in 2007-08.

The Company has registered total sales volume of 1,36,505 MT including 4,681 MT of Writing & Printing paper against 1,30,869 MT (only newsprint) in 2006-07, i.e., a growth of 4%. The Company retained its *numero uno* status in the Newsprint manufacturing industry in India by recording highest ever production and sales during the year.

However, the profitability of the Company during the year under review has been adversely affected due to steep hike in the cost of raw material and power without a commensurate rise in the selling prices of the finished products. The raw material cost during the year increased by 17 % contributing to Rs. 24 crores reduction in the profit of the Company. Power and Fuel cost was also significantly higher by 14 %. The average net sales realization during the year came down by 3% as compared to previous year. This was due to sluggishness in the international newsprint market coupled with appreciation in Indian Rupee viz-a-viz US \$ during the relevant period. India is predominantly dependent upon imports in Newsprint and the landed price for the same became

cheaper. The domestic industry had to fall in line and reduce their selling prices. The increased cost of borrowing during the year also affected the net margin. This was mainly due to increase in prime lending rates by the lenders and stepped-up rate of Lease rent as part of the Financial Restructuring by CDR. The Company, however, took all possible measures to keep the fixed cost and overheads under control to check further erosion in profit.

The Company during the year successfully completed the project of conversion of Washing De-inking technology to Flotation De-inking plant technology. This has helped the Company increase Pulp production to match the increased production of Paper. It has also improved the quality of paper. This is the latest technology globally and will result in putting our paper at premium in domestic and international markets.

The Company successfully met its debt repayment obligations during the year.

CURRENT YEAR'S PROSPECTS

The beginning of the current year has brought cheerful news for the industry with the Newsprint prices going up globally. The said increase will neutralize the effect of the increase in the raw material and power cost. With improved productivity & cost control measures coupled with favourable market conditions the Company expects a much better performance during 2008-09.

RAW MATERIAL

The Company uses eco-friendly raw material of recycled fibre viz., Old Newspaper (ONP), other waste papers and pulp, for manufacturing Newsprint and high quality waste paper & virgin pulp for Writing & Printing Paper through totally chlorine free process. The Company imports as well as procures raw materials domestically. During the year under review, though the availability of raw materials was normal, the prices rose steeply due to rise in demand.

EXPANSION PROGRAMME AND FUTURE PROSPECTS

With the growth of the economy, increased spending on education, improving literacy levels and the changing demography, the demand for newsprint is expected to increase by more than 12 % per annum in the coming years in India and is expected to touch 25 lac MT by 2010. Considering healthy economy and huge demand for its products, the Company is planning an expansion programme for doubling the total production capacity by adding one more paper machine.

In India, currently, we have a demand of about 20 lac TPA of Newsprint Paper. Roughly half of this demand is met through Indigenous supply and the balance is met by imports. The in-

crease in ad-spends by Corporates, Governments, Institutions and NGOs etc. is helping to further boost up the circulation of the Newspapers and thereby increasing the demand for Newsprint.

The Company presently enjoys a market share of about 14% in the domestic Newsprint segment and has well established marketing network and customer base. Having strengthened its Process, Engineering, Power block and Project & Development wing during the last 3 years, the Company is well equipped to undertake the expansion programme.

CORPORATE SOCIAL RESPONSIBILITY

The Company is alive to its social responsibilities towards the public living within the vicinity of its Mills. The Company imparts regular health check up facilities for the community in the nearby villages and distributes free medicines to the needy.

The Company has opened modern English medium School to impart quality education to the students in the vicinity. The Company supplies free drinking water on regular basis to the nearby villages.

Further the Company also undertakes various community welfare jobs as and when necessity arises.

DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956.

The Directors hereby confirm that: -

1. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. 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;
3. 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;
4. The annual accounts have been prepared on a "going concern" basis.

PUBLIC DEPOSITS

The Company has not accepted any deposits from public during the year under review.

LISTING OF SHARES

Equity Shares of Company are listed on Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). The Company has duly paid listing fees to the stock exchanges.

DIRECTORS

During the year under review, ICICI Bank Limited withdrew the nomination of Smt. Neeta Mukerji as Director of the Company w.e.f. 6th December, 2007 and appointed Shri Anupam Verma as its nominee director w.e.f. 6th December, 2007.

Shri Chandravadan Desai resigned as Director of the Company w.e.f. 28th December, 2007. The Board of Directors has appointed Shri Sudarshan Somani, as an Additional director w.e.f. 28th December 2007, who will hold the said post till the date of ensuing Annual General Meeting.

The West Coast Paper Mills Ltd. who, by virtue of the shareholding agreement dated 6th September, 2003 and Memorandum & Article of Association of the Company, have a right to appoint 5 nominee directors have withdrawn the nomination of Shri Haigreave Khaitan w.e.f. 27th June 2008. The Board of Directors has appointed Shri Haigreave Khaitan, as an Additional director w.e.f. 27th June 2008, who will hold the said post till the date of ensuing Annual General Meeting.

Shri Virendra Bangur, Shri K. L. Chandak and Shri Shree Kumar Bangur are retiring by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

The Directors place on record their appreciation of the valuable contribution made by Smt. Neeta Mukerji and Shri Chandravadan Desai during their tenure as Directors of the Company.

CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION & ANALYSIS

Report on Corporate Governance and Management Discussion and Analysis is made part of this Annual Report and are annexed as Annexure - II and Annexure - III.

DIRECTORS' REPORT



As required by the Listing Agreements the Certificate of Auditors on Corporate Governance compliance is also annexed to this Annual Report.

The Certificate from CEO/CFO was placed before the Board of Directors at the meeting held on 27th June 2008.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars with respect to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as required under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are furnished as Annexure - I to this Report and forms part of it.

PARTICULARS OF EMPLOYEES

Particulars of employees under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended to date are furnished as per Annexure - IV.

CASH FLOW STATEMENT

As required under clause 32 of the listing agreement with the Stock Exchanges, the Cash Flow Statement is attached to the Balance Sheet.

AUDITORS'

The present Auditors of your Company, M/s. Haribhakti & Co., Chartered Accountants hold office until the conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment.

AUDITORS' REPORT

The Notes to accounts, forming part of Balance Sheet as at 31st March 2008 and Profit & Loss Account for the year ended on that date, referred to in the Auditor's Report are self explanatory.

COST AUDIT

The cost accounts records maintained by the company are subject to audit by the qualified Cost Auditors. Your Company has appointed Shri. Narottam Tola, a qualified Cost Accountant for conducting the audit of cost account records for the year ended 31st March 2008 and the Cost Audit report will be submitted to the Ministry of Corporate Affairs, Government of India in due course.

INDUSTRIAL RELATIONS

The industrial relations continued to remain cordial throughout the year under review.

ACKNOWLEDGEMENT

The Directors wish to place on record and acknowledge their appreciation and gratitude for the continued co-operation and support received from the Central Government, the State Government of Gujarat, Regulatory Bodies, participating Financial Institutions and Banks, Customers, Suppliers and Dealers. The Directors take this opportunity to express their appreciation towards the dedication, commitment and teamwork shown by employees, which has contributed in taking the Company on the path of prosperity. Your Directors further thank the fraternity of Members for their continued confidence reposed in the management of the Company.

By Order of the Board

S. K. BANGUR
CHAIRMAN

Place: Mumbai,
Date: 27.06.2008

ANNEXURE - I

INFORMATION AS PER SECTION 217(1)(e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS), RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31st MARCH 2008.

A. CONSERVATION OF ENERGY

1. ENERGY CONSERVATION MEASURES TAKEN:

Following measures have been taken during 2007-08 for energy conservation -

- i) Installation of small trim pulper in PM#1 only to handle trim to save the power.
- ii) Run alternative pump for disc filter shower for required capacity & heads.
- iii) Installation of VFD in Water Treatment Plants Pump with pressure control loop to maintain required constant pressure at low rpm without throttling the valve.
- iv) Replacement of Cooling Tower FRP fan with new energy efficient FRP fan.
- v) Usage of boiler blow down water in White water [FDP] to reduce steam [& thus coal] consumption.
- vi) Installation of 2 nos of water flow meters & 7 nos of compressed air flow meters in different sections.
- vii) Reduction of power consumption of air compressor by reducing temperature in compressor room by increasing air circulation.
- viii) Installation of APFC at MCCs to maintain power factor at 0.95 from 0.88.

2. WATER CONSERVATION MEASURES TAKEN:

- i) Replacement of gland sealing water of process pumps by ETP water.
- ii) Cooling water of Hicon pulper Gear box heat exchanger saved by diversion in the system.
- iii) Installation of ½" & 1" Push taps in toilets, urinal to prevent water wastage in plants.
- iv) Rain water harvesting to bring down water consumption in rainy season.

3. ADDITIONAL INVESTMENT AND PROPOSAL FOR ENERGY CONSERVATION ARE:

- i) To introduce suitable prize distribution scheme on energy & water conservation, suggestions to be invited from employees.
- ii) Modification in PV Hood system to reduce the steam consumption by preheating the atmospheric air.
- iii) Vacuum pump sealing fresh water to be replaced by ETP water in PM#1 & 2.
- iv) Installation of CD profiler in PM#1 & 2 to save steam & fibre.
- v) Up-gradation of ash handling system to reduce the air consumption.
- vi) Installation of DCS for Existing two boilers.
- vii) Modification in ETP recycle pump to match the operating point as per plant requirement.
- viii) Installation of new sand filter to fulfill increasing demand of recycled water.
- ix) Replacing three chemicals dosing pumps by diaphragm pumps & increasing height of one tank to feed the chemicals by gravity.

4. IMPACT OF MEASURES (1) & (2) ARE :

Though the specific power consumption has increased due to modification in De-inking plant for process requirement, the specific power consumption would be 983 KWh/MT without this impact. Also the specific water consumption reduced from 36m³/MT to 34.1m³/MT.

B. TECHNOLOGY ABSORPTION

Effort made in Technology Absorption adoption & Innovation as per Form B - enclosed.

C. FOREIGN EXCHANGE EARNING AND OUTGO.

	Rs. (In Lacs)	
	Current year ended 31.3.2008	Previous year ended 31.3.2007
Foreign Exchange Earning	68.82	322.54
Foreign Exchange Used	9442.13	5530.78

ANNEXURE TO DIRECTORS' REPORT

FORM - A

Form of Disclosure of particulars with respect to
Conservation of Energy

A) Power and Fuel Consumption

Sr. No.	For the Year ended 31.03.08	For the Year ended 31.03.07
1. Electricity		
a) Purchased		
Units (Kwh in thousand)	4377	2672
Total Amount (Rs. in lacs)	443.44	363.88
Rate/Unit (Rs)	10.13	13.62
b) Own Generation		
I. Through Diesel Generator		
Units (Kwh in thousand)	7	46
Unit per Litre of Diesel/Oil	3.67	2.88
Rate/Unit (Rs)	8.89	11.18
II. Through Steam Turbine/Generator		
Unit (Kwh in thousand)	138,495	118,692
Rate/Unit (Rs)	2.14	1.92
2. Coal		
Quantity (MT)	167796	132502
Total Cost (Rs. in lacs)	4362.81	3692.64
Average rate (Rs. Per MT)	2600	2787
3. Furnace Oil		
Quantity (K.Ltr)	Nil	44
Total Amount (Rs. in lacs)	Nil	7.81
Average rate (Rs. Per K. Ltr)	Nil	16.927

B) Consumption of per tonne of Production of Newsprint / Writing and Printing Paper

	For the Year ended 31.03.08	For the Year ended 31.03.07
Electricity	1030	912
Furnace Oil (ltr)	Nil	0.33
Coal (kgs)	1209	995

FORM - B

Form for disclosure of particulars with respect to Technology
Absorption.

RESEARCH AND DEVELOPMENT (R & D)

- Continuous Lab evaluation of raw material for cost Optimisation :
- A Lab study carried out to select specialty chemicals / additives for cost reduction.
- Lab studies carried out to minimize brightness drop from pulp to paper during run of writing & printing paper.
- Lab studies followed by plant trial carried out to select alternative source of deinking chemical for cost reduction without affecting quality and one indigenous product has been substituted with imported chemical. Substantial cost reduction achieved.
- Lab evaluation of bio-deinking chemical for alternative source and cost advantage. Product selected, plant trial proposed.
- Studies for stickles count at various stages of process for effective stickles control.
- Performance test at New floatation deinking plant after conversion of washing deinking to flotation deinking process.

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

- Efforts in brief made towards Technology Absorption, Adoption and Innovation.
 - Conversion of washing deinking plant to floatation deinking plant for quality improvement.
 - Installation of screw press in place of dewatering press in new floatation deinking plant.
- Benefits derived as a result of above efforts
 - Pulp production increased from 220 to 250 MT/Day.
 - Pulp quality improved in terms of brightness, dirt count, stickies & so paper quality got improved.
 - Pulp brightness improved from earlier 53% to 57% ISO.
 - Improvement in paper quality viz-a-viz formation & appearance was observed.
- Details of project development work in progress and ready for implementation.
 - Installation of disc filter in PM#1.
 - Installation of DCS for Existing boilers.
 - Upgradation of ash handling system.
 - Installation of de-watering press in ETP.
 - Installation of new sand filter in ETP.

ANNEXURE TO DIRECTORS' REPORT

ANNUAL REPORT
2007 - 2008

ANNEXURE - II

CORPORATE GOVERNANCE

As required by Clause 49 of the Listing Agreement of the Stock Exchanges)

The Corporate Governance Report is for the Year under review (i.e. from 1st April 2007 to 31st March 2008)

1) Company's Philosophy on Code of Corporate Governance

The Company has ingrained the objectives of good quality Corporate Governance, which will lead to creation of value for all its stakeholders. The Company adopts the best of the Corporate Governance practices in its spirit, whereby the highest level of transparency, accountability and equity is maintained at all levels of its operations. The Company policies are drawn keeping in mind the interest of all its stakeholders and with an ultimate objective of creation of wealth for its stakeholders.

By following good corporate governance practices the Company ensures transparency in its policies, processes, reporting, and the decision making process. The Company emphasizes on effective and efficient accounting system, internal control mechanism and planning process. The practices adopted by the Company emphasize that all the resources are utilized optimally and effectively so that the Company grows from strength to strength and creates wealth for its stakeholders.

The Board of Directors of the Company has appropriate composition of Executive and Non-Executive Directors including Independent Directors. The Board of Directors through their active participation ensures that the discus-

sions and decisions on the policy matters are taken after due deliberation and discussion and in consonance with the good corporate governance practices.

2) Board of Directors – Constitution and Composition

The present Board of Directors of the Company consists of Eleven Directors, ten of whom are Non-Executive Directors including Five Independent Directors. Shri S.K. Bangur is the Non-Executive Chairman while Shri Virendra Bangur & Shri Vashu. J. Ramsinghani are Non-Executive Vice Chairmen of the Company. Shri K.L. Chandak, Shri Haigreave Khaitan and Shri Amit Ramsinghani are other Non-Executive Directors while Shri V. D. Bajaj is the Executive Director of the Company. Both Shri Ashok Alladi & Shri Anupam Verma, are Nominees of ICICI Bank, Shri M.P. Talaria and Shri Sudarshan Somani are other Non-Executive-Independent Directors. The composition of Board of Directors is well within norms of Corporate Governance as applicable as on 31st March, 2008.

None of the Directors on the Board are Members in more than ten Committees and they do not act as Chairman of more than five Committees across all Companies in which they are Directors.

a) Number of Board Meetings and Attendance Record of the Directors

The Company has complied with the provisions with regard to holding of Board Meetings during the period under review, i.e. from 1st April, 2007 to 31st March, 2008.

During the year ended 31st March 2008 the Company had five Board Meetings. These were on 3rd May 2007, 26th June 2007, 26th July 2007, 22nd October 2007 & 28th January 2008.

The composition of Directors during the year under review and the attendance at the Board Meetings during the year under review and the last Annual General Meeting as also number of other Directorships and Committee Memberships are given below:

Sr. No.	Name of Director	Position	No. of Board Meetings attended	Attendance at last AGM	No. of other Public Co. Directorships	No. of other Committee Membership in other Public Company.*	
						Chairman	Member
1.	Shri Shree Kumar Bangur	Chairman	2	No	11	-	-
2.	Shri Virendra Bangur	Vice-Chairman	4	No	6	-	1
3.	Shri Vashu J. Ramsinghani	Vice-Chairman	3	No	-	-	-
4.	Shri K.L. Chandak	Director	4	No	2	-	2
5.	Shri Amit Ramsinghani	Director	4	No	-	-	-
6.	Shri Haigreave Khaitan**	Director	2	No	17**	-	7
7.	Shri V.D. Bajaj	Executive Director	5	Yes	-	-	-

ANNEXURE TO DIRECTORS' REPORT



Sr. No.	Name of Director	Position	No. of Board Meetings attended	Attendance at last AGM	No. of other Public Co. Directorships	No. of other Committee Membership In other Public Company.*	
						Chairman	Member
8.	Shri M. V. Gore (upto 03.05.2007)	Non-Executive Independent Director	0	No	1	1	1
9.	Shri Chandravan Desai (upto 28.12.2007)	Non- Executive Independent Director	3	No	1	-	-
10.	Shri M. P. Taparia (appointed w.e.f 03.05.2007)	Non-Executive Independent Director	2	No	6	1	-
11.	Shri Sudarshan Somani (appointed w.e.f.28.12.2007)	Non- Executive Independent Director	1	No	-	-	-
12.	Shri Ashok Alladi	Non-Executive Independent & ICICI Bank Ltd Nominee Director	4	Yes	4	2	2
13.	Smt Neeta Mukherji (upto 06.12.2007)	Non-Executive Independent & ICICI Bank Ltd Nominee Director	2	No	2	-	-
14.	Shri Anupam Verma (appointed w.e.f. 06.12.2007)	Non-Executive Independent & ICICI Bank Ltd Nominee Director	1	N.A.	1	-	1

* This relates to Committee referred to in clause 49 of the Listing Agreement, viz. Audit Committee and Investors Grievance Committee.

** Includes alternate directorship.

any, entered with companies in which directors are directly or indirectly concerned or interested are recorded in the Register of Contracts.

3) Directors' Interest in the Company

For the sake of transparency the Company is committed to make full disclosures regarding the interest of and payments to all Directors. During the year under review the Company made payment of sitting fees of Rs. 4000/- per meeting to Non-Executive Directors for attending Board meetings, Audit Committee meetings and Remuneration Committee meeting. The Company does not pay any other remuneration or commission to the non- executive Directors of the Company. Further, it is not a policy of the Company to give loans and advances to its Directors.

The Company did not have any pecuniary relationship or transactions with the Non-Executive Directors during the year under review.

Sometimes, the Company does enter into contracts with Companies in which some of the Directors of the Company are interested as Director or member. However, these contracts are in the ordinary course of the Company's business without giving any specific weightage to them. Directors regularly make full disclosures to the Board of Directors regarding the nature of their interest in the companies in which they are directors and particulars of contracts, if

Code of Conduct:- The Board of Directors has adopted the CODE OF CONDUCT to be observed by all the Directors and Senior Management while executing their official duties and responsibilities. The Code of Conduct is posted on the website of the Company. All Directors and designated senior management cadre of the Company have affirmed compliance of the Code of Conduct. The declaration to this effect signed by the Executive Director is annexed to this report.

CEO/CFO Certification:- As required under clause 49V of the listing agreement with stock exchanges, the Executive Director and Asst. Vice President (Fin & A/cs) have certified to the Board the financial statements for the year ended 31st March 2008.

4) Audit Committee

Terms of reference of the Audit Committee are as per Section 292A of the Companies Act, 1956 and the guidelines set out in the Listing Agreements with the Stock Exchanges that inter-alia, includes overseeing financial reporting process, reviewing periodic financial results, financial statements and adequacy of internal control system with the Management and adequacy of internal audit function, discussions with auditor about the scope of audit including the observation of the auditors and discussion with internal auditors on any significant findings. The Committee also

ANNEXURE TO DIRECTORS' REPORT

**ANNUAL REPORT
2007 - 2008**

reviews all matters and information required to be reviewed, discussed or investigated as per the provisions of the Corporate Governance clause and best of the corporate governance practices including but not limited to related party transactions, appointment or removal of chief internal auditors, compliances of legal provisions and accounting standards etc.

Composition of Audit Committee as on 31st March 2008

During the year under review the composition of the Audit Committee of the Board comprised of following Non-executive-Independent Directors:

Name of the Member	Status
Shri Ashok Alladi (Chairman)	Non-Executive Independent Director (ICICI Bank Ltd. Nominee)
Shri Sudarshan Somani* (appointed w.e.f. 28.12.2007)	Non-Executive Independent Director
Shri V. D. Bajaj	Executive Director
Shri Madhukar V. Gore (upto 03.05.2007) #	Non-Executive Independent Director
Shri M. P. Taparia** (from 03.05.2007 to 26.06.2007)	Non-Executive Independent Director
Shri Chandravardan Desai (upto 28.12.2007) ##	Non-Executive Independent Director

During the year under review, five meetings of the Audit Committee were held on the following dates:

- (i) 03rd May 2007 (ii) 26th June 2007 (iii) 26th July 2007 (iii) 22nd October 2007 and (iv) 28th January 2008.

Attendance of Members at Audit Committee Meetings are as under:

Name of the Director	No. of Meetings attended
Shri Ashok Alladi	5
Shri Sudarshan. Somani	1
Shri V. D. Bajaj	5
Shri Madhukar V. Gore	0
Shri M. P. Taparia	0
Shri Chandravardan Desai	4

The Statutory Auditors, Internal Auditors and the Head of Finance are invitees to the Audit Committee Meetings. The Company Secretary is in attendance at these Meetings. All members are financially literate and majority has accounting & financial expertise. The Chairman of the Audit Committee was present at the previous Annual General Meeting to answer queries of shareholders.

Shri Madukar V Gore, Non-Executive Independent Director resigned as Director of the Company and ceased to be member of the Audit Committee w.e.f. 03rd May 2007, **Shri M. P. Taparia,

Non-Executive Independent Director, was appointed as member of the Audit Committee w.e.f 3rd May 2007, however due to his heavy preoccupation he expressed his inability to continue as member of the Committee w.e.f 26th June 2007. ## Shri Chandravardan Desai, Non-Executive Independent Director resigned as Director of the Company and ceased to be member of the Audit Committee w.e.f. 28th December 2007. *Shri Sudarshan Somani was appointed as Additional Director and also as member of the Audit Committee w.e.f. 28th December 2007.

5) Remuneration Committee

The Remuneration Committee was constituted on 9th January 2004 to decide the remuneration of Executive Director.

During the year under review, pursuant to cessation of directorship of Shri Madukar V Gore, Non-Executive Independent Director w.e.f 3rd May 2007, Smt Neeta Mukherji (Nominee Director - ICICI Bank Ltd.) w.e.f. 06th December 2007, and Shri Chandravardan Desai w.e.f 28th December 2007, the Remuneration Committee was last reconstituted on 28th January 2008 and the present composition of the Remuneration Committee is as under:-

Shri M. P. Taparia	Non-Executive Independent Director (Chairperson)
Shri Sudarshan Somani	Non-Executive Independent Director
Shri Anupam Verma	Non-Executive Independent Director (Nominee - ICICI Bank Ltd.)
Shri K. L. Chandak	Non-Executive Director

The Committee met once on 9th April 2008 where all Committee members were present except Shri M. P. Taparia .

6) Details of remuneration for the year ended 31st March 2008

(i) To Executive Director

Name	Salary (Rs.)	Commission (Rs.)	Perquisites (Rs.)	Retirement Benefits (Rs.)
Shri V.D. Bajaj Executive Director	27,56,400	NIL	7,74,269	NIL

Apart from above salary the Executive Director has received no remuneration or incentive during the year under review.

Shri V.D.Bajaj was re-appointed as Executive Director w.e.f. 9th January, 2007 for a period of four years. Subject to approval of members the terms of his remuneration were approved for the period from 1st April 2007 to 31st March 2010.

The appointment of the Executive Director is contractual in nature. The appointment may be terminated by either party by giving 3 months notice of such intention in writing to the other party. In the event the Executive Director delivers the notice, the Company shall have the option of determining the services of the Directors forthwith without any further liabilities whatsoever. In the event such notice is delivered by the Company, the Executive Director shall be entitled to be paid his full salary as per

ANNEXURE TO DIRECTORS' REPORT

the terms of appointment for a period of three months as well as such other benefits which he would have earned during the same period.

The Executive Director will also be entitled to the perquisites as per the terms of appointment for the same period or, at the option of the Company, the cash value thereof for the length of such period, to the extent applicable.

There are no Stock options available / issued to any Directors of the Company and this does not form a part of their contract with the Company.

(ii) To Non-Executive Directors

During the year ended 31st March 2008, the Company, paid remuneration to Non-executive directors by way of sitting fees of Rs. 4000/- per meeting for attending Board Meetings, Audit Committee Meetings and Remuneration Committee Meetings. Apart from payment of Sitting Fees, the company has no other pecuniary relationship or transactions with individual non-executive directors. There are no Stock options available / Issued to any Directors of the Company. None of the Non-Executive Directors have shareholding in the Company except Shri K. L. Chandak, who was holding 6,250 shares, Shri Amit Ramsinghani who was holding 27,92,997 Shares & Shri Sudarshan Somani who was holding 7,500 Shares during the year under review.

(iii) The remuneration paid to Shri V. D. Bajaj, Executive Director, during the year ended 31st March, 2008 is subject to the approval and ratification by the shareholders of the Company by way of special resolution at the ensuing Annual General Meeting.

7) Share Transfer / Investor Grievance Committee

The Share Transfer & Investors Grievance Committee comprises of Shri. K.L. Chandak (Chairman), Shri. V.D. Bajaj and Shri Haigreve Khaitan. Shri Girish Sharma AVP(F&A) & Company Secretary is the Compliance officer of the Company. The Committee oversees the redressal of complaints of the shareholders and investors in relation to transfer of shares, non-receipt of annual reports, etc. and also approves split/consolidation of shares, issue of duplicate share certificate, etc.

8) General Body Meetings

The last three Annual General Meetings were held at Village Barbodhan, Taluka Olpad, District Surat - 395 005, as per details given below:

Year	Date	Day	Time
14 th AGM - 2005	September 6, 2005	Tuesday	3.00 P.M.
15 th AGM - 2006	September 28, 2006	Thursday	3.00 P.M.
16 th AGM - 2007	September 27 2007	Thursday	2.00 P.M.

Special Resolutions passed in the previous 3 Annual General Meetings:-

- 14th AGM - None
- 15th AGM - To maintain Register of Members, the index of Members, the Register and Index of Debentureholders and copies of all annual returns prepared under Section 159 and 160 and other Registers and documents etc. also at the office of Company's Registrar and Transfer Agent i.e. M/s Intime Spectrum Registry Ltd.
- 16th AGM - None

No special resolutions were required to be put through postal ballot last year. At the forthcoming Annual General Meeting also, there is no item on the agenda that needs approval by Postal Ballot.

9) Disclosures

- (i) There were no instances of non-compliance on any other matter related to the capital market, during the last three years.
- (ii) There are no transactions, which may have potential conflict with the interest of the Company. Schedule 19 of the Annual Accounts contains the details of related party transactions.
- (iii) The Company has complied with all the mandatory requirements prescribed under Clause 49 of the Listing Agreement. Regarding non-mandatory requirements:
 - * The Company is maintaining office for the Non-Executive Chairman.
 - * Remuneration Committee has been constituted to approve remuneration of Executive Director.
 - * The Company is publishing unqualified financial results.
 - * The Board members are having adequate experience and expertise to deal with business matters.
 - * The Company has not established whistle blower policy.

10) Means of Communication

- (i) Quarterly results are published in newspapers. The annual reports are posted to every shareholder of the Company.
- (ii) Management Discussion and Analysis forms a part of this Annual Report, which is also being posted to all the Shareholders of the Company.
- (iii) The Company's website at www.ramanewsprint.com is regularly updated with financial results and any Official news releases are given directly to the press.

11) General Shareholder Information

(i) Annual General Meeting

Date & Time : Please refer to Notice of the Annual General Meeting being sent alongwith the Annual Report.

ANNEXURE TO DIRECTORS' REPORT

ANNUAL REPORT
2007-2008

Venue: Registered Office at Village Barbodhan, Taluka Olpad, Dist. Surat, Gujarat.

- (ii) The Company has furnished information as required by Clause 49 (iv) of the Listing Agreement of the Stock Exchanges, relating to the appointment and re-appointment of Directors.

(iii) **Financial Calendar (Tentative)**

Adoption of Quarterly Financial Results

Quarterly Financial results of the quarter ending June 2008 : Last week of July 2008

Quarterly Financial results of the quarter ending Sept. 2008 : Last week of October 2008

Quarterly Financial results of the quarter ending Dec. 2008 : Last week of January 2009

Quarterly Financial results of the quarter ending March 2009 : Last week of June 2009

Annual General Meeting 2008-2009 : September 2009

12) **Dates of Book Closure**

Please refer to Notice of the Annual General Meeting being sent alongwith the Annual Report.

13) **Listing of Equity Shares on Stock Exchanges, etc.**

The Company's shares are listed on Bombay Stock Exchange & National Stock Exchange of India Ltd.

Stock Market price data for the year ended 31st March 2008

Month	B S E		Sensex	
	High (Rs.)	Low (Rs.)	High	Low
April, 2007	35.80	29.65	14384	12426
May, 2007	39.80	31.00	14576	13554
June, 2007	35.70	30.15	14683	13947
July, 2007	33.80	28.10	15869	14639
August, 2007	29.50	25.10	15542	13780
September, 2007	33.90	28.10	17362	15323
October, 2007	32.90	25.65	20238	17145
November, 2007	32.85	24.25	20204	18183
December, 2007	42.60	28.50	20498	18886
January, 2008	48.40	23.25	21207	15332
February, 2008	40.20	25.00	18895	16458
March, 2008	33.00	24.60	17228	14677

14) **Stock Codes & ISIN No.**

Bombay Stock Exchange Ltd.: 500356
National Stock Exchange of India Ltd.: RAMANEWS
ISIN of the Company: INE278B01020

15) **Share Transfer Agent**

The Company has engaged the services of M/s **INTIME SPECTRUM REGISTRY LTD**, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai - 400078, a SEBI registered Registrar, as their Share Transfer Agents, for processing the transfers, sub-division, consolidation, splitting of securities etc. Since trades in Company's shares are required to be done only in dematerialized form, request for demat and remat should be sent through the Depository Participants (DP) to

M/s. INTIME SPECTRUM REGISTRY LTD

Unit : Rama Newsprint & Papers Ltd
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W),
Mumbai - 400078.
Phone No. 25963838 Fax: 25946969.

16.1) **Share Transfer System**

As already stated, the Company's shares are traded on the Stock Exchanges compulsorily in demat mode. Therefore, Investors / Shareholders are requested to kindly note that physical documents, viz. Demat Request Forms (DRF) and Share Certificates, etc. should be sent by their Depository Participants (DP's) directly to the Share Transfer Agents. Any delay on the part of the DP's to send the DRF and the Share Certificates beyond 15 days from the date of generation of the DRF by the DP will be rejected / cancelled. This is being done to ensure that no demat requests remain pending with the Share Transfer Agent beyond a period of 30 days. Investors / Shareholders should, therefore, ensure that their DP's do not delay in sending the DRF and Share Certificates to Share Transfer Agent after generating the DRF. Shares in physical are processed by Registrar & Transfer Agent who attend to share transfer formalities normally once in 10 days.

16.2) **Investor Grievance Redressal System**

The Investors' grievances against the Company are handled by the Company's Registrars and Share Transfer Agents, M/s. Intime Spectrum Registry Limited, in consultation with the Secretarial Dept. of the Company. The Registrars have adequate infrastructure facilities coupled with skilled staff with professional qualifications for speedy redressal of Investors' grievances.

All investor complaints, which cannot be settled at the level of the Company Secretary or the Share Transfer Registrars, are forwarded to the Shareholders / Investors Grievance Committee for final settlement. During the year under review the Company received 448 complaints from Shareholders / Debentureholders and same were attended.

ANNEXURE TO DIRECTORS' REPORT



17) Distribution of Shareholding as on 31st March 2008

No. of Shares	No. of Shareholders	No. of Shares
Upto 500	108530	8149827
501 - 1000	2388	1908373
1001 - 2000	1373	2006340
2001 - 3000	533	1337976
3001 - 4000	208	741033
4001 - 5000	207	971614
5001 - 10000	269	1968252
10001 and above	278	41074617
Total	113786	58158032

18) Pattern of Shareholding as on 31st March 2008

Category	No. of shares held	Percentage of shareholding
Promoters	31950884	54.94
Mutual Funds & UTI	60365	0.10
Banks, Financial Institutions	21425	0.04
Foreign Institutional Investors	175228	0.30
Foreign Mutual Funds	12300	0.02
Others		
a) Private Corporate Bodies	4862092	8.36
b) Indian Public	20306465	34.92
c) NRIs / OCBs	459503	0.79
d) Others	309770	0.53
Grand Total	58158032	100.00

19) Dematerialization of Shares

As on 31st March 2008, 5,49,93,555 shares of the Company representing 94.56% of total paidup share capital were held in dematerialized form and the balance 31,64,480 shares representing 5.4% of total paid-up share capital were in physical form.

20) Factory Location:

The Company's factory is located at Village Barbodhan, Taluka - Olpad, District - Surat, Gujarat - 395 005.

21) Address for Correspondence

The Company's Registered Office is situated at Village Barbodhan, Taluka-Olpad, District-Surat, Gujarat-395 005.

All Shareholders correspondence should be addressed to

RAMA NEWSPRINT AND PAPERS LTD.

SHREENIWAS HOUSE, 3RD FLOOR,
HAZARIMAL SOMANI MARG, FORT, OPP
BOMBAY GYM KHANA, MUMBAI - 400 001, INDIA.
TEL NO. -22016798. FAX NO. - 22016803
Email: grievances@ramanewsprint.com

Contact Person: Company Secretary/ Compliance Officer
OR

INTIME SPECTRUM REGISTRY LTD

Unit: Rama Newsprint & Papers Ltd
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W), Mumbai - 400078.
Phone No. 25963838 Fax: 25946969

22) Management Responsibility Statement

The Management confirms that the financial statements are in full conformity with requirements of the Companies Act, 1956 and the Generally Accepted Accounting Principles (GAAP) in India. The Management accepts responsibility for the integrity and objectivity of these financial statements as well as for estimates and judgments relating to matters not concluded by the period end. The management believes that the financial statements of operation reflect fairly the form and substance of transactions and reasonably present the Company's financial condition and the results of operations. The Company has a system of internal control, which is reviewed, evaluated and updated on an ongoing basis. The Internal Auditors have conducted periodic audits to provide reasonable assurance that the Company's established policy and procedures have been followed.

CODE OF CONDUCT DECLARATION

I hereby declare that all Board members of the Company and senior management personnel have affirmed compliance with the Code of Conduct of the Company.

For Rama Newsprint And Papers Ltd.

V. D. Bajaj
Executive Director

Dated : 27th June, 2008

ANNEXURE - III**Management's Discussion & Analysis****State of Economy and Paper Industry Outlook**

The Indian economy continued its journey on the growth path with the economy growing at 8.7% in 2007-08. Despite the rising rupee and the slowdown in the consumer goods segment, the acceleration in the domestic investment and saving rates fuelled the growth witnessed in the economy. The deceleration in the growth after two high growth years can be attributed to the cyclical fluctuations in the economy, which is spread across all sectors. The situation became worse with raw crude prices rising from US\$ 70 a barrel to US\$ 135 - US\$140 a barrel forcing Rupee to depreciate and inflation to soar above 11% mark as per the recent data released by the Government. High rate of inflation remains a big concern despite the fiscal & monetary measures taken by Government of India & Reserve Bank of India respectively. Since its impact will be felt over a period of time, we will have to learn to live with high rates of inflation in the short term. Needless to mention that double-digit inflation and rising interest rates will definitely hamper the growth in the economy.

Demand for paper however, continues to remain upbeat reporting with a growth at a CAGR of over 6%. With increased emphasis on literacy growth and substantial allocation to "Sarva Shiksha Abhiyaan" by the Government of India, the demand for paper is expected to continue to grow at a robust pace. Almost every large paper manufacturing company in India is modernizing and expanding its capacity to cater to the huge demand generated by sturdy growth.

Newsprint Industry

While Newsprint Industry in US and Canada saw a negative growth in the year 2007 due to sluggishness in the local economy and drop in advertisements by the Corporates in the Newspapers and Magazines, Europe saw a CAGR of almost above 1%. However, the Asian growth continues its stride with China and India leading the pack.

Currently the demand for Newsprint paper in India has risen to about 20 lac tonnes per annum, growth at a CAGR above 12%. Normally half of this demand is met by imports. The Major Newsprint Manufacturers in India have already drawn expansion plans to take advantage of the gap between domestic demand and supply. Indian News Publishing Industry is regularly attracting foreign direct investments resulting due to continuous increase in readership and good growth in income from advertisements. Last year the industry saw a phenomenal rise in the number of newspaper editions and their circulations. Even the number of financial news dailies have gone up and vernacular versions of reputed financial papers like Economic Times, Business Standard are also becoming popular. The increasing demand for Newsprint is creating a favorable balance in favour of newsprint manufacturers.

Company's Performance & Outlook

During the year, the Company achieved a record production of 1,38,771 MTs including 7,210 MTs of Writing & Printing paper

against 1,33,144 MTs in the year 2006-07. This was possible due to continuous efforts in reducing the downtime, increasing the machine speed, de-bottlenecking and balancing of process requirements. The successful completion of the project of conversion of Washing De-inking plant to Flotation De-inking technology not only helped the company in increasing its pulp production to match the increased production of paper but also helped in improving the quality of its products. The improved quality of Company's Newsprint definitely earned the goodwill of the customer and strengthened its marketing and brand building efforts. However, this good physical performance of the company did not result in a good fiscal performance due to depressed selling price and increased cost of raw material, power and fuel and interest. Nevertheless, the Company could meet successfully all its financial commitments including servicing of all the debts on time.

However, the beginning of the New Year 2008 has brought cheerful news for the Company with Newsprint prices moving upwards and the time is good when the Company can convert its good physical performance into equally good financial performance. Encouraged by the changed scenario, the Company is pursuing its plan for major expansion for almost doubling the existing production capacity. This will definitely lead to creation of wealth for all the stake holders.

SWOT Analysis**Strengths**

- 1) Strategic location of the plant, good proximity to both market for its finished product and source of its raw material i.e. waste paper and chemicals.
- 2) Customer' appreciation of company's products
- 3) Country wide customer based and Dealer/Distributor network.
- 4) Swing facility on the Paper Machine to produce Newsprint / Writing and Printing grades of paper as the market situation may demand.
- 5) Over 400 acres of land available with the Company sufficient enough for any future expansion and growth.

Weakness

- 1) The Company manufactures its products by 100% recycled fibre which is perceived a shade below high end products manufactured from virgin pulp.

However continuous Research & Development and Technological improvement has helped the Company to improve the quality of its products to compete with products manufactured from virgin pulp.

Opportunities

The Company, being *Numero Uno* in Newsprint Production in India, by further expanding its operations can very well exploit the double-digit growth in demand of Newsprint.

MANAGEMENT'S DISCUSSION & ANALYSIS



Threats

- 1) The Company imports about 50% of the raw material, which is prone to the foreign exchange fluctuations.

However the Company is constantly trying to source cheaper furnish without compromising on quality of the finished product.

- 2) The Company is susceptible to cyclicity in International Newsprint market. However, the good news is that the year 2008 has seen upswing in this cycle.

Internal Control Systems & its Adequacy

Proper and adequate system of internal controls are there to ensure that financial and manufacturing records are reliable and are in conformity with all applicable laws and regulations of the industry. Automatic checks and controls and Management Reporting system ensure that financial data are properly verified and accounted and human errors are minimized/ eliminated. The Company has appointed external firm of Chartered Accountants who carries out Internal Audit throughout the year on regular basis and with a pre-planned audit schedule. Their suggestions and recommendations are reviewed by the Management regularly so as to enhance the quality of Internal Control System. The Audit committee of the Board reviews and monitors the implications of suggestions and recommendations of Internal Auditors besides giving their own suggestions for strengthening Internal Control methods.

Human Resource

Human Resource is the key to the success of an organization. It is through their sincere efforts put in by the employees that the Company is able to best exploit all other key resources. Therefore in order to nurture human resource and to improve the talents to improve productivity, the Company continuously organizes various training programmes both inhouse and also by deputing the employees to outside forums. Safety, health and welfare of the employees have all along remain the concern of the Management. The Company continues its efforts for improving the quality of education in schools within its vicinity and imparts regular health checkup facilities for all employees including community in the nearby villages.

Cautionary Statement

Statements in this report on Management's Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand supply conditions, finished goods prices, raw materials cost and availability, changes in Government regulations, tax regimes, economic developments within India and other factors such as litigation and industrial relations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

ANNEXURE - IV

INFORMATION AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31st MARCH 2008.

Name (a) Designation / Nature of Duties (b) Remuneration (Rs.) (c) Qualification (d) Age (Years) (e) Experience (Years) (f) Date of Commencement / Separation of Employment (g) Last Employment.

Employed through out the financial year under review and was in receipt of remuneration, in aggregate, not less than Rs. 24 Lacs per annum.

Shri V. D. Bajaj (a) Executive Director (b) 35,30,669 (c) Masters in Commerce-Gold Medalist (d) 58 years (e) 38 years (f) 09.01.2004 (g) The West Coast Paper Mills Ltd.

Notes:

1. Remuneration includes Salary, reimbursement of medical expenses, LTA, contribution to Provident Fund and value of perquisites calculated in accordance with the rules framed under the Income Tax Act.
2. Nature of employment is contractual.

BALANCE SHEET

ANNUAL REPORT
2007 - 2008

BALANCE SHEET AS AT 31ST MARCH, 2008

	SCHEDULE	AS AT 31.3.2008 (Rs.in lacs)	AS AT 31.3.2007 (Rs.in lacs)
SOURCES OF FUNDS:			
A) Shareholders' Funds:			
Share Capital	1	5,815.80	5,815.80
B) Reserves & Surplus	2	24,718.29	24,611.70
		<u>30,534.09</u>	<u>30,427.50</u>
C) Loan Funds:			
Secured Loans	3	21,234.64	22,127.95
		<u>21,234.64</u>	<u>22,127.95</u>
Unsecured Loans	4	2,429.79	2,429.79
		<u>23,664.43</u>	<u>24,557.74</u>
TOTAL		<u>54,198.52</u>	<u>54,985.24</u>
APPLICATION OF FUNDS:			
A) Fixed Assets:	5		
Gross Block		70,081.52	67,621.11
Less: Depreciation		<u>30,018.38</u>	<u>26,585.11</u>
Net Block		40,063.14	41,036.00
Capital Work in Progress	6	886.73	2,648.15
		<u>40,949.87</u>	<u>43,684.15</u>
B) Investments	7	1.63	1.68
C) Deferred Tax Asset		2,874.71	2,929.83
D) Current Assets, Loans & Advances :			
Inventories	8	8,165.66	4,356.26
Sundry Debtors	9	4,779.64	5,350.29
Cash & Bank Balances	10	37.27	79.23
Interest Receivable		9.69	9.72
Loans & Advances	11	3,432.22	2,754.64
		<u>16,424.48</u>	<u>12,550.14</u>
Less : Current Liabilities & Provisions			
Current Liabilities	12	5,867.45	4,019.30
Provisions	12	<u>184.72</u>	<u>161.26</u>
		<u>6,052.17</u>	<u>4,180.56</u>
Net Current Assets		<u>10,372.31</u>	<u>8,369.58</u>
TOTAL		<u>54,198.52</u>	<u>54,985.24</u>
Notes to Accounts	17		

As per our attached report of even date
For **HARIBHAKTI & CO.**
Chartered Accountants

Manoj Daga
Partner
Membership No. 48523
Place : Mumbai
Dated : 27th June, 2008

Girish Sharma
AVP (F&A) & Company Secretary

Shree Kumar Bangur
Virendra Bangur
Vashu J. Ramsinghani
Amit V. Ramsinghani
K. L. Chandak
Ashok Alladi
Anupam Verma
Haigreve Khaitan
Sudarshan Somani
V. D. Bajaj

Chairman
Vice Chairman
Vice Chairman
Director
Director
Director
Director
Director
Director
Executive Director

PROFIT AND LOSS ACCOUNT



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2008

SCHEDULE	For the Year		For the Year	
	Ended 31.3.2008		Ended 31.3.2007	
	(Rs.in lacs)		(Rs.in lacs)	
INCOME :				
Sales :				
Domestic	35,580.81		34,856.60	
Exports	67.56		354.30	
	<u>35,648.37</u>		<u>35,210.90</u>	
Less: Excise Duty	71.64		12.65	
	<u>35,576.73</u>		<u>35,198.25</u>	
Other Income	13	365.50	384.12	
		<u>35,942.23</u>	<u>35,582.37</u>	
EXPENDITURE :				
Material Cost	14	19,862.46	17,961.60	
Manufacturing & Other Expenses	15	9,062.15	7,925.70	
		<u>28,924.61</u>	<u>25,887.30</u>	
Profit before Interest & Depreciation		<u>7,017.62</u>	<u>9,695.07</u>	
Interest and Lease rent	16	3,402.47	2,705.27	
Profit before Depreciation & Tax		<u>3,615.15</u>	<u>6,989.80</u>	
Depreciation		<u>3,433.40</u>	<u>3,299.91</u>	
Profit before Tax		<u>181.75</u>	<u>3,689.89</u>	
Fringe Benefit Tax		20.05	20.23	
Deferred Tax		<u>55.11</u>	<u>1,217.34</u>	
Profit after Tax		<u>106.59</u>	<u>2,452.32</u>	
Brought Forward Profit / (Loss)		1,892.36	(7,053.52)	
Less : Adjusted against Capital reduction (Refer Note no. 9)		<u>0.00</u>	<u>6,493.56</u>	<u>(559.96)</u>
Surplus Carried Over to Balance Sheet		<u>1,998.95</u>	<u>1,892.36</u>	
Basic / Diluted Earnings per share (Rs.)		<u>0.18</u>	<u>4.22</u>	
Notes to Accounts	17			

As per our attached report of even date
For **HARIBHAKTI & CO.**
Chartered Accountants

Manoj Daga

Partner

Membership No. **48523**

Place : Mumbai

Dated : 27th June, 2008

Girish Sharma

AVP (F&A) & Company Secretary

Shree Kumar Bangur
Virendra Bangur
Vashu J. Ramsinghani
Amit V. Ramsinghani
K. L. Chandak
Ashok Alladi
Anupam Verma
Haigreave Khaitan
Sudarshan Somani
V. D. Bajaj

Chairman
Vice Chairman
Vice Chairman
Director
Director
Director
Director
Director
Director
Executive Director

SCHEDULES

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET & PROFIT & LOSS ACCOUNT

	AS AT 31.3.2008 (Rs.in lacs)	AS AT 31.3.2007 (Rs.in lacs)
SCHEDULE 1:		
SHARE CAPITAL:		
Authorised:		
23,30,00,000 Equity Shares of Rs. 10/- each	23,300.00	23,300.00
	<u>23,300.00</u>	<u>23,300.00</u>
Issued & Subscribed:		
5,81,58,032 Equity Shares of Rs. 10/- each fully paid-up (Refer Note no. 9)	5,815.80	5,815.80
	<u>5,815.80</u>	<u>5,815.80</u>
SCHEDULE 2:		
RESERVES & SURPLUS:		
A) Capital Reserve:	10,953.86	10,953.86
B) Contingency Reserve:	11,765.48	11,765.48
C) Surplus in Profit & Loss Account	1998.95	1,892.36
Total (A+B+C)	<u>24,718.29</u>	<u>24,611.70</u>
SCHEDULE 3 :		
SECURED LOANS		
<u>Rupee Term Loans from</u>		
<u>Financial Institutions/Banks:</u>		
ICICI Bank Ltd	8,249.40	10,082.60
Industrial Investment Bank of India Ltd.	571.36	571.36
Life Insurance Corporation of India	1,032.31	1,261.72
Axis Bank Ltd.	5,000.00	7,000.00
	<u>14,853.07</u>	<u>18,915.68</u>
Working Capital Demand Loan and Cash Credit from Banks	6,381.57	3,212.27
	<u>21,234.64</u>	<u>22,127.95</u>

Notes :

- The Term Loans are secured / to be secured by first charge ranking pari passu on all immovable properties of the company, both present and future and hypothecation of all Company's movable machinery, spares, tools and accessories, present and future, subject to prior charges created on Company's stock of raw materials, stock-in-process, finished goods, consumable stores etc. in favour of the company's bankers for securing borrowings for working capital requirements, and Corporate guarantee by The West Coast Paper Mills Ltd.
- Working capital demand loan and cash credit are secured by hypothecation of the Company's stocks of finished goods, stock in process, raw materials, stores and spares, book debts, etc. and by a second charge created/agreed to be created on all immovable properties of the company, both present and future.

SCHEDULES

AS AT
31.3.2008
(Rs. in lacs)

AS AT
31.3.2007
(Rs. in lacs)

SCHEDULE 4:

UNSECURED LOANS :

Interest Free Loan under Sales Tax deferral Scheme (Govt. of Gujarat)

2,429.79

2,429.79

SCHEDULE 5:

FIXED ASSETS

Description	GROSS BLOCK			DESPRECIATION				NET BLOCK		
	As at 1.4.2007	Addition during the Year	Deduction during the Year	As at 31.03.2008	As at 1.4.2007	Depreciation for the Year	Deduction during the Year	Total depreciation as on 31.03.2008	As at 31.03.2008	As at 31.03.2007
Freehold Land	201.86	-	-	201.86	-	-	-	-	201.86	201.86
Buildings	9914.81	1.00	-	9915.80	2377.19	261.12	-	2638.31	7277.49	7537.61
Plant & Machinery	56,874.26	2415.15	-	59289.41	23806.13	3130.41	-	26936.53	32352.88	33068.13
Furniture & Fittings	348.18	10.07	0.27	358.00	226.38	20.21	0.13	246.46	111.53	121.82
Office Equipment	236.99	17.77	-	254.77	151.02	16.79	-	167.80	86.96	85.98
Vehicles	44.99	16.70	-	61.69	24.40	4.88	-	29.28	32.41	201.60
Total	67,621.10	2460.69	0.27	70081.53	26585.11	3433.40	0.13	30018.38	40063.14	41036.00
Previous Year	66,904.96	724.23	8.08	67621.11	23288.26	3299.91	3.06	26585.11	41036.00	43616.70

SCHEDULE 6 :

CAPITAL WORK IN PROGRESS :

Plant & Machinery	771.39	2575.73
Building	115.34	69.19
Capital Advances	-	3.23
	<u>886.73</u>	<u>2648.15</u>

SCHEDULE 7 :

INVESTMENTS

LONG TERM:TRADE INVESTMENTS

A) QUOTED:EQUITY SHARES

50 Equity Shares of Rs.10/-each of the Andhra Pradesh Paper Mills Ltd.	0.08	0.08
1000 Equity Shares of Rs.1/- each of Orient Paper Mills Ltd.	0.24	0.24
250 Equity Shares of Rs.2/- each of West Coast Paper Mills Ltd.	0.02	0.02
165 Equity Shares of Rs.10/- each of Shree Vindhya Paper Mills Ltd.	0.14	0.14
50 Equity Shares of Rs.10/- each of Nath Pulp & Paper Mills Ltd.	0.04	0.04
100 Equity Shares of Rs.10/- each of Pudumjee Pulp & Paper Mills Ltd.	0.15	0.15
300 Equity Shares of Rs.2/- each of Ballarpur Industries Ltd.	0.28	0.33
100 Equity Shares of Rs.10/- each of Sirpur Paper Mills Ltd.	0.07	0.07
50 Equity Shares of Rs.10/- each of Rohit Pulp & Paper Mills Ltd.	0.06	0.06
90 Equity Shares of Rs.10/-each of J.K.Lakshmi cement Ltd.	0.31	0.31
10 Equity Shares of Rs.10/-each of Ashim Investment Co.Ltd.	0.03	0.03
100 Equity Shares of Rs.10/-each of Mysore paper mills Ltd.	0.01	0.01
600 Equity Shares of Rs.10/-each of Tamilnadu Newsprint and Papers Ltd.	0.18	0.18
Total A	<u>1.61</u>	<u>1.66</u>

B) UNQUOTED:EQUITY SHARES

100 Equity Shares of Rs.10/-each of Titaghur Paper Mills Ltd.	0.02	0.02
Total B	<u>0.02</u>	<u>0.02</u>
Total A+B	<u>1.63</u>	<u>1.68</u>

Note:

Market value of Quoted investments as on 31.3.2008 Rs.1.49 lacs (as on 31.3.2007 Rs.1.52 lacs)

SCHEDULES

ANNUAL REPORT 2007 - 2008

	AS AT 31.3.2008 (Rs.in lacs)	AS AT 31.3.2007 (Rs.in lacs)
SCHEDULE 8 :		
INVENTORIES		
(As taken, valued and certified by the Management)		
Raw materials	3,481.51	607.94
Chemicals	446.57	270.35
Stores, Spares and Packing Materials	2,738.77	2,967.43
Stock-in-process	199.25	27.31
Finished Goods	1,299.56	483.23
	<u>8,165.66</u>	<u>4,356.26</u>
SCHEDULE 9:		
SUNDRY DEBTORS		
(Unsecured, considered good, unless otherwise stated)		
Outstanding for more than six months :		
Considered good	169.85	107.45
Considered doubtful	28.35	28.35
	<u>198.20</u>	<u>135.80</u>
Others :		
Considered good	4,609.79	5,242.84
	<u>4,807.99</u>	<u>5,378.64</u>
Less: Provision for Doubtful Debts	28.35	28.35
	<u>4,779.64</u>	<u>5,350.29</u>
SCHEDULE 10 :		
CASH AND BANK BALANCES		
Cash on hand	7.16	5.23
Balances with Scheduled Banks:		
in Current Accounts	2.74	36.63
in Fixed Deposit Accounts	5.88	5.88
(under lien of banks)		
in Other Accounts	21.49	31.49
	<u>37.27</u>	<u>79.23</u>
SCHEDULE 11:		
LOANS AND ADVANCES		
(Unsecured, considered good, unless otherwise stated)		
Advances recoverable in cash or in kind		
or for value to be received		
Considered good	119.93	83.48
Considered doubtful	4.63	4.63
	<u>124.55</u>	<u>88.11</u>
Less: Provision for doubtful advances	4.63	4.63
	<u>119.93</u>	<u>83.48</u>
Security & Other Deposits, etc.	499.74	483.12
Balances with Excise Authorities	2792.28	2,174.29
Income-tax deducted at source	20.27	13.75
	<u>3,432.22</u>	<u>2,754.64</u>

SCHEDULES

SCHEDULE 12 :

CURRENT LIABILITIES & PROVISIONS

	AS AT 31.3.2008 (Rs.in lacs)	AS AT 31.3.2007 (Rs.in lacs)
A) <u>Current Liabilities :</u>		
Acceptances	3080.69	22.97
Sundry Creditors :		
Due to Small Scale and Medium Industrial Units	-	-
Others	1,204.69	3,054.15
Other Liabilities	1468.82	818.88
Unclaimed Interest on Debentures (shall be credited to Investor Education and protection Fund, to the extent and as and when required)	21.36	31.34
Interest and lease rent accrued but not due	91.89	91.96
	<u>5,867.45</u>	<u>4,019.30</u>
B) <u>Provisions :</u>		
Provision for Retirement Benefits	184.72	161.26
Total (A+B)	<u>6,052.17</u>	<u>4,180.56</u>

SCHEDULE 13 :

OTHER INCOME

	Year Ended 31.3.2008 (Rs.in lacs)	Year Ended 31.3.2007 (Rs.in lacs)
Interest from Banks and others	20.72	42.98
Dividends	0.06	0.04
Export Incentives	3.11	9.62
Excess Provision Written Back	3.91	
Insurance claims received	18.94	80.70
Sale of Scrap	246.01	192.12
Miscellaneous Income	72.75	58.66
	<u>365.50</u>	<u>384.12</u>

SCHEDULE 14 :

MATERIAL COST

Raw Materials :			
Opening Stock	607.94	1,052.29	
Add: Purchases	19,400.43	13,114.04	
	20,008.37	14,166.33	
Less: Closing Stock	3,481.51	607.94	
	<u>16,526.86</u>		13,558.39
Consumption of Chemicals	2,753.79		3,005.00
Consumption of Stores and Spares & Packing Materials	1,570.08		1,875.11
	<u>20,850.73</u>		<u>18,438.50</u>
Increase (-)/Decrease (+) in Stock of Finished Goods & Stock in Process :			
Opening Stock:			
Finished Goods	483.23	-	
Stock-in-process	27.31	33.64	
	<u>510.54</u>	<u>33.64</u>	
Closing Stock :			
Finished Goods	1,299.56	483.23	
Stock-in-process	199.25	27.31	
	<u>1498.81</u>	<u>510.54</u>	
	<u>(988.27)</u>		<u>(476.90)</u>
	<u>19,862.46</u>		<u>17,961.60</u>

SCHEDULES

ANNUAL REPORT
2007 - 2008

	Year Ended 31.3.2008 (Rs.in lacs)	Year Ended 31.3.2007 (Rs.in lacs)
SCHEDULE 15 :		
MANUFACTURING AND OTHER EXPENSES :		
Power and Fuel	4,823.99	4,066.56
Water Charges	423.86	345.90
Salaries,Wages and Ex-gratia	1063.83	965.63
Co's Cont. to Provident and other fund	84.27	73.10
Gratuity and Leave Encashment	45.90	64.64
Staff Welfare Expenses	36.57	38.23
	1,230.56	1,141.60
Repairs and Maintenance :		
Buildings	28.24	12.73
Plant & Machinery	222.03	386.75
Qthers	46.15	63.02
	296.42	462.50
Insurance	69.46	102.09
Raw Material Handling & Operation Charges	552.64	411.24
Rent,Rates and Taxes	204.97	183.48
Excise Duty & Cess	167.06	51.23
Directors' Sitting Fees	1.64	1.68
Legal and Professional Fees	41.20	54.84
Payment to Auditors:		
(a) Audit Fees	3.00	2.50
(b) For Taxation matters	1.35	1.35
(c) Others	4.33	0.70
	8.68	4.55
Premium on Repayment of Loan	15.49	-
Miscellaneous Expenses:		
Commission on Sales	474.81	397.84
Discounts	22.01	29.86
Sundry Expenses	729.32	670.21
Loss on Sale of Fixed Assets(net)	0.03	2.12
	1,226.18	1,100.03
	9,062.15	7,925.70
SCHEDULE 16 :		
INTEREST AND LEASE RENT		
Interest :		
On Term Loans	1,957.52	1,906.79
On Working Capital	442.16	212.96
Others	169.13	92.59
	2,568.81	2,212.35
Lease Rent	833.66	492.92
	3,402.47	2,705.27

SCHEDULES

SCHEDULE 17

NOTES TO ACCOUNTS

1. Significant Accounting Policies:

a) Method of Accounting:

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956 on the basis of accrual except unascertained insurance claims and comply with the Accounting Standards issued by the Institute.

b) Fixed Assets:

Fixed Assets have been stated at cost including related incidental expenditure.

c) Borrowing cost:

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the revenue.

d) Depreciation:

Depreciation has been provided on straight-line basis pursuant to Schedule XIV of the Companies Act, 1956. Depreciation on additions during the year has been provided as under:

—Buildings and Plant & Machinery	: For the period of use
—Assets other than Buildings and Plant & Machinery	: For the full year

e) Foreign Currency Transactions:

i) Fixed Assets acquired out of foreign currency loans are recorded at the actual transaction rate. As per revised Accounting Standard - 11 "The Effects of changes in Foreign Exchange Rates", the gain or loss due to exchange rate fluctuations on repayment of such loans during the year is recorded at the actual transaction rates and consequent adjustments are made to the Profit & Loss Account. The gain or loss on translation of such loan liabilities at the year-end is adjusted in the Profit & Loss Account.

ii) Foreign Currency Current Assets and Current Liabilities are recorded at the actual transaction rate. The gain or loss arising out of settlement/ translation of the assets and liabilities at the closing rates due to exchange fluctuations is recognized as income/ expenditure in the profit and loss account.

iii) Premium or discount arising at the inception of forward exchange contract is amortized as expense or income over the life of the contract. Any gain or loss arising due to exchange difference at the end of the year on such contract are recognized in profit & loss account.

f) Taxation:

Current Income Tax is determined on the basis of tax payable on taxable income (if any) for the year. In compliance with Accounting Standard - 22 issued by the Institute of Chartered Accountants of India, deferred tax is calculated at current statutory income tax rate and is recognised on timing differences between taxable income and the accounting income that originated in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to the consideration of prudence, are recognised and carried forward only to the extent that there is reasonable certainty that the sufficient future taxable income will be available against which such deferred tax can be realised.

g) Inventories:

i) Stocks of all items other than Stock-in-process are valued at cost or net realizable value whichever is lower. Stock-in-process has been valued at certain percentage of the cost or net realizable value whichever is lower. The costs for the purpose of valuation are determined as under:

—Finished goods and Stock-in-process	: Manufacturing cost
—Coal & Chemical	: FIFO
—Raw materials & Others	: Weighted Average cost

h) Investments:

Investments have been stated at cost.

i) Gratuity and Accumulated Leave:

Gratuity and Accumulated Leave have been provided on actuarial valuation basis.

j) Research & Development Expenditure:

Revenue expenditure on research & development is charged to Profit & Loss account and capital expenditure is added to the cost of fixed assets in the year in which it is incurred.

k) Preliminary and Issue Expenses:

Preliminary and share/debenture issue expenses are amortized over a period of ten years after the commencement of commercial production.

l) Bad debts/ advances are written off in the year in which they become irrecoverable.

m) Contingent Liabilities are shown by way of notes.

n) Contributions to defined contribution schemes such as Provident Fund etc. are charged to the Profit and Loss account as incurred. The Company also provides for retirement/post-retirement benefits in the form of gratuity and leave encashment. Such defined benefits are charged to the Profit and Loss account based on valuations, as at the balance sheet date, made by independent actuaries.

SCHEDULES

ANNUAL REPORT
2007 - 2008

2. The Company has during the year adopted Accounting Standard 15(revised 2005) "[Employee Benefits". The Company has classified various employee benefits as under] :

(A) Defined contribution plans

- a. Provident fund
- b. State defined contribution plans
- Employees' Contribution to Employees' State Insurance

The provident fund and the state defined contribution plan are operated by the Regional Provident Fund Commissioner. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes, to fund the benefits. These funds are recognized by the Income tax authorities.

The Company has recognised the following amounts in the Profit and Loss Account for the year:

	Year ended 31.3.2008 (Rs. In Lacs)
(i) Contribution to Provident Fund	83.64
(ii) Contribution to Employee's State Insurance Scheme	00.63

(B) Defined Benefit Plans

- a. Gratuity
- b. Leave Encashment

In terms of the Guidance on implementing the revised AS 15, issued by the Accounting Standards Board of the Institute of Chartered Accountants of India, the Provident Fund set up by the Company is treated as defined benefit plan since the company has to meet the interest shortfall, if any. However, at the year-end, no shortfall remains unprovided for. As advised by an independent actuary, it is not practical or feasible to actuarially value the liability considering that the rate of interest as notified by the Government can vary annually. Further the pattern of investible funds is as prescribed by the Government. Accordingly, other related disclosures in respect of Provident fund have not been made.

Leave encashment is payable to eligible employees who have earned leaves, during the employment and/or on separation as per the company's policy.

Valuations in respect of Gratuity and Leave Encashment have been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions:

- (i) Discount Rate (Per annum) 8.00%
- (ii) Rate of increase in Compensation levels 4.00%
- (iii) Expected Avg. remaining working lives of employees in No. of Years 15 Yrs.

	Year ended 31.3.2008	
	Gratuity	Leave Encashment
(i) Changes in present Value of Obligation		
(a) Present value of Obligation as at 1 st April 2007	116.47	44.78
(b) Interest Cost	9.52	3.92
(c) Past Service Cost	0.00	0.00
(d) Current Service Cost	15.82	9.23
(e) Contributions by Plan participants	0.00	0.00
(f) Curtailment Cost/(Credit)	0.00	0.00
(g) Settlement Cost/(Credit)	0.00	0.00
(h) Benefits Paid	1.83	20.60
(i) Actuarial(Gains)/Loss	(12.85)	20.27
(j) Present value of Obligation as at 31 st March, 2008	127.13	57.59
(ii) Amounts recognised in the Balance Sheet		
(a) Present Value of Obligation as at 31 st March 2008	127.13	57.59
(b) Fair value of Plan Assets as at 31 st March 2008		
(c) (Asset)/ Liability recognised in the Balance Sheet	127.13	57.59
(iii) Expenses recognised in the Profit and Loss Account		
(a) Current Service Cost	15.82	9.23
(b) Past Service Cost	00.00	00.00
(c) Interest Cost	9.52	3.92
(d) Curtailment Cost/(Credit)	00.00	00.00
(e) Settlement Cost/(Credit)	00.00	00.00
(f) Net Actuarial(Gain)/Loss	(12.85)	20.27

SCHEDULES

(g) Employer's Contribution	1.83	20.60
(h) Total Expenses recognised in the P & L Account	12.49	33.41
(iv) Experience adjustments		
(v) Expected employer's contribution for the next year		

3. Contingent Liabilities:

- Unexpired Letter of Credits established in respect of Plant & Machinery, Raw Materials and Stores & Spares Rs. 2,978.99 Lacs (previous year Rs. 600.85 Lacs)
- Bank guarantees issued by banks Rs. 158.72 Lacs (previous year Rs. 103.90 Lacs).
- Estimated amount of contracts remaining to be executed on Capital Account (Net of Advance) NIL (previous year Rs. 43.89 Lacs).
- Claims against the Company not acknowledged as debts Rs. 1,448.61 Lacs (previous year Rs. 1,355.12 Lacs).

- The company has received show cause notices dated 27.07.2005, 20.02.2006, 5.12.2006 & 5.12.2007 for reversal of duty on clearance of 'Newsprint in reels' under Rule 6(3)(b) of CENVAT Credit Rules and asking for explanation for resultant duty of Rs. 7,254.30 Lacs and other relevant penalties if any. Show Cause Notice for duty amount of Rs. 14,321.70 Lacs for similar classification of 'Newsprint in reels' under section 5(A) & Rule 8 of Central Excise Rule 1944 has already been withdrawn by the Central Excise Department and CENVAT credit rules 2004 have also been amended vide notification dated 21.02.2007 so as to include Newsprint in reels as exempted items.

The company has been advised by an expert that ultimately such demand is not likely to be confirmed against the Company. Similar notices have been received by other newsprint manufacturers also.

- Arrears of dividend on Cumulative Preference Shares from 15th April 1998 to 15th Dec. 2001 aggregate Rs.2069.95 Lacs.
- Balances with Excise Authorities are subject to confirmation.
- In Respect of Plant & Machinery taken on lease during financial year 1996-97 & 1997-98, the future minimum lease rent payable is as under:

	(Rs. In Lacs)	
	2007-08	2006-07
Not later than one year	833.23	794.74
Later than one year and not later than five years	2916.32	3332.93
Later than five years	-	416.62
Total	3749.55	4544.29

- Contingency reserve represents remission granted by CDR members (except those with whom one time settlement was made) in principal loan amount pursuant to the Restructuring Scheme approved by the Corporate Debt Restructuring Cell on 27th Sept. 2003. The said Scheme of Restructuring stipulates repayment of outstanding Loans in installments ending on 15th August 2012 and a corporate guarantee from The West Coast Paper Mills Ltd as additional Security and that on certain special events of default, the remission granted would be retrospectively revoked.
- Pursuant to the approval of the shareholders of the Company in their meeting held on 23rd December 2005 and the Order dated 5th May 2006 of the Hon. High Court of Gujarat, duly registered with the Registrar of Companies on 7th June 2006, Rs 7.50 of every equity share of Rs 10 each fully paid up was cancelled and simultaneously thereafter, four (4) numbers of fully paid up equity shares of Rs 2.50 each were consolidated into one (1) equity share of Rs 10 each fully paid (after cancellation of 1 (one) fractional equity share). This had resulted in the issued, subscribed and paid up equity share capital of the Company of Rs.232,63,21,290 consisting of 23,26,32,129 equity shares of Rs. 10 each, reduced/consolidated to Rs. 58,15,80,320 consisting of 5,81,58,032 equity shares of Rs. 10 each fully paid up with effect from 7th June 2006. The debit balance in the profit & loss account amounting to Rs. 64,93,55,597 as on 31st March 2005 was adjusted against the part of the paid up share capital of Rs. 174,47,40,970 so cancelled in above manner and for the balance of the cancelled capital a Capital Reserve of Rs. 109,53,85,373 was created.
- There are no amounts outstanding to Micro, Small & Medium Enterprises for more than 45 days as on the date of Balance Sheet. No interest is outstanding to any Small Scale or Ancillary Unit as on 31st March 2008, under the provisions of Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertaking Act, 1993.
- Exchange difference (net) Credit of Rs.147.78 Lacs (Previous year Debit Rs.29.47 Lacs) has been included in respective heads of accounts in Profit and Loss account.
- In view of the Tax Remission Scheme being availed by the company VAT / CST on sales has been credited to sales.
- Details of consumption of raw materials:

Particulars	Year Ended		Year Ended	
	31 st March, 2008		31 st March, 2007	
	Quantity	Value	Quantity	Value
	(MT)	(Rs. In lacs)	(MT)	(Rs. In lacs)
Old Newsprint	104,887	8,395.55	105,074	7,388.68
White Ledger Cuttings	4,853	549.85	3,618	306.54
Pulp	604	160.70	879	144.12
Others	77,990	7,420.78	69,929	5,719.05
	<u>1,88,334</u>	<u>16,526.86</u>	<u>1,79,500</u>	<u>13,558.39</u>

SCHEDULES

ANNUAL REPORT 2007 - 2008

Break-up of consumption of imported and indigenous raw materials, chemicals and stores and spares

Particulars	Year Ended 31.3.2008		Year Ended 31.3.2007	
	Value	%	Value	%
	(Rs. In lacs)		(Rs. In lacs)	
Indigenous	12,368.84	59.32	11,860.49	64.32
Imported	8,481.89	40.68	6,578.01	35.68
	20,850.73	100.00	18,438.50	100.00

14. Particulars of Capacity, Production, Stock and Turnover:

Particulars	Year Ended 31.3.2008		Year Ended 31.3.2007	
	Quantity	Value	Quantity	Value
	(MT)	(Rs. In lacs)	(MT)	(Rs. In lacs)
* Installed Capacity (per annum)	1,32,000	—	1,32,000	—
Newsprint /Writing & Printing Paper				
a) Opening Stock				
— Newsprint	2,275	483.23	NIL	—
— Writing & Printing Paper	NIL	—	NIL	—
— TOTAL	2,275	483.23	NIL	—
b) Production				
— Newsprint	1,31,561	—	1,33,144	—
— Writing & Printing Paper	7,210	—	NIL	—
— TOTAL	1,38,771	—	1,33,144	—
c) Sales				
— Newsprint	1,31,824	34,030.79	1,30,869	35,187.59
— Writing & Printing Paper	4,681	1,543.71	—	—
— TOTAL	1,36,505	35,574.50	1,30,869	35,187.59
d) Closing Stock				
— Newsprint	2,012	447.55	2,275	483.23
— Writing & Printing Paper	2,529	852.01	—	—
— TOTAL	4,541	1,299.56	2,275	483.23
e) Other Sales	—	2.23	—	10.66

*As certified by the Management, this being a technical matter.

15. The details of remuneration paid to Executive Director is as follows:*

Particulars	Year Ended 31.3.2008		Year Ended 31.3.2007	
	(Rs. In Lacs)		(Rs. In Lacs)	
Salary	24.72		13.88	
Contribution to Provident Fund	2.84		1.54	
Other perquisites	7.75		5.02	

*Subject to approval of shareholders by way of special resolution at the ensuing AGM pursuant to Schedule XIII of Company's Act 1956 as per legal opinion taken by the company. Once approved the same will be within specified limit of the Schedule XIII

16. Value of Imports calculated on C.I.F. basis:

a) Capital Goods	—	—
b) Raw Materials, Chemicals, Stores & Spares	9,379.14	5,435.20

17. Expenditure in Foreign Currency:

a) Traveling Expenses	4.69	19.64
b) Foreign Technicians Fees	1.32	—
c) Interest on FCNR Loans	56.98	75.94
d) Others	—	—

18. Earnings in Foreign Exchange:

Export of goods calculated on F.O.B. basis	68.82	322.54
--	-------	--------

SCHEDULES

19. a) The Net Deferred Tax Liability of Rs.55.11 lacs (previous year Rs.1217.34 lacs) for the current year has been debited to Profit and Loss Account as under:

Particulars	As on 31.3.2007	For the year ended 31.3.2008	As on 31.3.2008
a) Deferred Tax Liability on account of:			
Depreciation	10,267.90	(624.61)	9,643.29
	<u>10,267.90</u>	<u>(624.61)</u>	<u>9,643.29</u>
b) Deferred Tax Assets on account of:			
Unabsorbed Depreciation	12,937.27	(499.69)	12,445.58
Unabsorbed Business Loss	196.00	(196.00)	Nil
Provision for Interest	Nil	Nil	Nil
Provision for Doubtful Debts and Advs.	9.64	Nil	9.64
Provision for Retirement Benefits	54.81	7.98	62.79
	<u>13,197.72</u>	<u>(679.71)</u>	<u>12,518.01</u>
Net Deferred Tax Asset	<u>2,929.82</u>	<u>(55.11)</u>	<u>2,874.70</u>

The Company has recognised the deferred tax asset pertaining to earlier years, as the Board strongly believes that there is a virtual certainty about the availability of future taxable income and such deferred tax asset would be realized.

20. Earnings per share:

Particulars	Year Ended 31.3.2008	Year Ended 31.3.2007
a) Net Profit (Rs. in Lacs)	106.59	2,452.32
b) Weighted average number of equity shares of Rs.10 each outstanding during the year (No. of shares)	58158032	58158032
c) Basic / Diluted Earnings per Share (Rs.)	0.18	4.22

21. The Company has only one reportable business segment i.e. paper and geographical segment and hence no further disclosure are required under AS-17 on Segment Reporting.

22. Related Party Disclosures:

- i) Related Party Relationships

a) Where control exists	The West Coast Paper Mills Ltd.
b) Key Management Personnel	Mr. V.D.Bajaj – Executive Director
c) Enterprises owned or significantly influenced by Relatives of Key Management Personnel	Sai Jyoti Paper Products Pvt. Ltd.

Note: In respect of above parties, there is no provision for doubtful debts as on 31st March, 2008 and no amount has been written off or written back during the year in respect of debts due from/to them.

- ii) Transactions with Related Parties:

(Rs. In Lacs)

Type of Related Party	Nature of the transactions	Year ended 31.03.2008	Outstanding As on 31.03.2008		Year ended 31.03.2007	Outstanding As on 31.03.2007	
			Receivable	Payable		Receivable	Payable
Where control exists	Purchase of goods	30.02	—	—	—	—	—
	Rent	1.50	—	0.20	3.55	—	—
	ICD repaid	—	—	—	216.67	—	—
	Interest paid on ICD	—	—	—	4.77	—	—
	Reimbursement of expenses	0.15	—	—	3.33	—	—
	Security deposit given	—	2.00	—	—	2.00	—
Key Management Personnel	Managerial Remuneration Paid	35.31	—	—	20.44	—	—
Enterprises owned or significantly influenced by Relatives of Key Management Personnel	Expenses	—	—	—	0.93	—	—

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE.

**ANNUAL REPORT
2007 - 2008**

23. Previous year figures have been regrouped/rearranged wherever necessary.

24. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE.

I. Registration Details :	
Registration No.	04-19432
State Code	04
Balance Sheet Date	31.03.2008
II. Capital Raised during the Year (Rs. In Thousands):	
Public Issue	Nil
Right Issue	Nil
Bonus Issue	Nil
Private Placement	Nil
III. Position of Mobilisation and Deployment of Funds (Rs. In Thousands):	
Total Liabilities	6025069
Total Assets	6025069
SOURCES OF FUNDS	
Paid-up Capital	581580
Advance against shares	Nil
Reserves and Surplus	2471829
Secured Loans	2123464
Unsecured Loans	242979
APPLICATION OF FUNDS	
Net Fixed Assets	4006314
Capital Work-in-progress	88673
Investments	163
Deferred Tax Assets	287471
Net Current Assets	1037231
Miscellaneous Expenditure	Nil
IV. PERFORMANCE OF THE COMPANY (Rs. in Thousands):	
Turnover including other income	3594224
Total Expenditure	3576048
Profit/(Loss) Before Tax	18176
Profit/(Loss) After Tax	10659
Earning per share (Rs.)	0.18
Dividend Rate (%)	---
V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (AS PER MONETARY TERMS)	
Product Description	Item Code No. (ITC Code)
Newsprint	48010009
Writing & Printing Papers	48026009

Signatures to Schedules 1 to 24

As per our attached report of even date
For **HARIBHAKTI & CO.**
Chartered Accountants

Manoj Daga
Partner

Membership No. **48523**
Place : Mumbai
Dated : 27th June, 2008

Girish Sharma
AVP (F&A) & Company Secretary

Shree Kumar Bangur
Virendra Bangur
Vashu J. Ramsinghani
Amit V. Ramsinghani
K. L. Chandak
Ashok Alladi
Anupam Verma
Haigreve Khaitan
Sudarshan Somani
V. D. Bajaj

Chairman
Vice Chairman
Vice Chairman
Director
Director
Director
Director
Director
Director
Executive Director

CASH FLOW STATEMENT

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2008
(Pursuant to clause 32 of the listing agreement with Stock exchanges)

	Year Ended 31.3.2008 (Rs.in Lacs)	Year Ended 31.3.2007 (Rs.in Lacs)
A Cash Flow from Operating Activities		
Net Profit before Taxation	181.76	3,689.89
Adjustments for:		
Depreciation	3,433.40	3,299.91
Interest	3,402.47	2,705.27
Other Income	(20.78)	(43.02)
(Profit) / Loss on sale of assets (net)	0.03	2.12
	<u>6,815.12</u>	<u>5,964.28</u>
Operating Profit before working capital changes	<u>6,996.88</u>	<u>9,654.17</u>
(Increase)/Decrease in Inventory	(3,809.41)	180.64
(Increase)/Decrease in Debtors	570.65	(314.67)
(Increase)/Decrease in Advances & Other Current Assets	(677.55)	(234.21)
Increase/(Decrease) in Trade and Other Payables	<u>1,871.68</u>	<u>(1,734.89)</u>
	<u>(2,044.63)</u>	<u>(2,103.13)</u>
Cash Generated from Operations	<u>4,952.25</u>	<u>7,551.04</u>
Direct Taxes paid	(20.05)	(20.23)
Cash Generated from Operations	<u>4,932.20</u>	<u>7,530.81</u>
Net Cash from Operating Activities	<u>4,932.20</u>	<u>7,530.81</u>
B Cash Flow from Investing Activities		
Purchase of Fixed Assets including capital work-in-progress	(699.26)	(2,711.76)
Sale of Fixed Assets	0.11	2.90
Interest Received	20.72	42.98
Sale of Investment	0.05	-
Dividend Received	0.06	0.04
Net Cash Used in Investing Activities	<u>(678.32)</u>	<u>(2665.84)</u>
C Cash Flow from Financing Activities		
Proceeds from borrowings	3,169.30	122.39
Repayment of Borrowings	(4,062.60)	(2,280.35)
Interest and Lease Rent Paid	(3,402.54)	(2,716.24)
Net Cash from Financing Activities	<u>(4,295.84)</u>	<u>(4,874.20)</u>
Net Change in Cash & Cash Equivalents (A+B+C)	<u>(41.96)</u>	<u>(9.23)</u>
Cash & Cash Equivalents (Opening Balance)	<u>79.23</u>	<u>88.46</u>
Cash & Cash Equivalents (Closing Balance)	<u>37.27</u>	<u>79.23</u>

Note : All figures in brackets are outflow.

As per our attached report of even date
For **HARIBHAKTI & CO.**
Chartered Accountants

Manoj Daga
Partner
Membership No. 48523
Place : Mumbai
Dated : 27th June, 2008

Girish Sharma
AVP (F&A) & Company Secretary

Shree Kumar Bangur
Virendra Bangur
Vashu J. Ramsinghani
Amit V. Ramsinghani
K. L. Chandak
Ashok Alladi
Anupam Verma
Haigreave Khaitan
Sudarshan Somani
V. D. Bajaj

Chairman
Vice Chairman
Vice Chairman
Director
Director
Director
Director
Director
Executive Director

AUDITORS' REPORT

ANNUAL REPORT
2007 - 2008

AUDITORS' REPORT TO THE MEMBERS OF RAMA NEWSPRINT AND PAPERS LIMITED

We have audited the attached Balance Sheet of **Rama Newsprint and Papers Limited** as at 31st March 2008, the Profit & Loss Account and also the Cash Flow Statement for the financial year ended on that date annexed thereto.

Respective responsibility of the Management and the Auditors:

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.

Basis of Opinion:

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion:

- I. As required by the Companies (Auditors' Report) Order, 2003 and amended by Companies (Auditors' Report) (Amendment) Order, 2004 Issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks of the books and records as we considered appropriate and according to the information and explanations given to us, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable to the Company.
- II. Further to our comments in the Annexure referred to in paragraph I above:
 - a) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.
- c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
- d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub section (3C) of Section 211 of the Act.
- e) On the basis of the written representations received from the Directors, as on 31st March, 2008 and taken on record by the Board of Directors, we report that none of the Directors 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.
- f) In our opinion and to the best of information and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by 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:
 - i) in case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008 and
 - ii) in case of the Profit & Loss Account, of the profit of the Company for the year ended on that date.
 - iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **HARIBHAKTI & CO.**
Chartered Accountants

Manoj Daga
Partner
Membership No. 48523

Place: Mumbai
Date: 27th June, 2008

ANNEXURE TO AUDITORS' REPORT

ANNEXURE REFERRED TO IN PARAGRAPH I OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF RAMA NEWSPRINT AND PAPERS LIMITED.

I. Fixed Assets:

1. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
2. The management has physically verified at reasonable intervals, all the fixed assets of the Company. We are informed that no material discrepancy was noticed on such verification.
3. During the financial year, the Company has not disposed off major part of its fixed assets.

II. Stock:

4. According to the information and explanations given to us, the management has physically verified the inventories at reasonable intervals.
5. In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
6. In our opinion, the Company has maintained proper records of inventory. We are informed that no material discrepancy was noticed on physical verification of inventory and same was properly dealt with in the accounts.

III. Loans and Advances:

7. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
8. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions, the terms and conditions whereof are prejudicial to the interest of the Company.
9. In our opinion, the term loans have been applied for the purpose for which they were raised.
10. The Company has not defaulted in repayment of dues to the financial institutions, banks, or debenture holders in the current year.

IV. Internal Controls:

11. In our opinion, the Company has adequate internal control procedures commensurate with the size and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. There is no continuing failure to correct major weaknesses in internal control.

12. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.

13. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

V. Related Party Transactions:

14. According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured, during the year from a company covered in the register maintained under section 301 of the Act.
15. According to the information and explanations given to us, the Company has not granted loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act.
16. In our opinion and according to the information and explanations given to us the transactions that need to be entered in the register in pursuance of section 301 of the Act have been so entered.
17. The above transactions are made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
18. During this financial period, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.

VI. Deposits:

19. The Company has not accepted any deposits within the meaning of section 58A and 58AA of the Companies Act and the rules framed thereunder.

VII. Statutory payments:

20. The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-tax, Sales-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities. There were no arrears of statutory dues, as at the last day of the financial period for a period exceeding six months from the date it became payable.
21. According to the information and explanations given to us, no disputed amounts payable in respect of Sales Tax / Income Tax / Custom Duty / Wealth Tax / Excise Duty / Cess were outstanding as on 31st March, 2008 *except the following:*

ANNEXURE TO AUDITORS' REPORT

ANNUAL REPORT
2007 - 2008

Name of Statute	Nature of Dues	Amount (Rs. in Lacs)	Forum where dispute is pending
Excise/ Customs Act	Duty Demanded on waste for the period April, 2000 to September, 2000	4.00	Dy. Commissioner of Central Excise, Surat.
Sales Tax Act	Interest on late payment of Sales Tax (on sale of machinery to ICICI Ltd.)	81.09	Gujarat Sales Tax Tribunal, Ahmedabad.
Bombay Stamp Act	Stamp Duty and registration fees including penalty.	130.75	Judge (Senior Division) Surat Civil Court.

VIII. Miscellaneous:

22. We have broadly reviewed the books of accounts maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956. We are of the opinion that prima-facie, the prescribed accounts and records have been maintained. However, we have not made a detailed examination of these records.

23. During this financial period, the Company has not raised any money by public issues.
24. On the basis of review of utilization of funds, which is based on an overall examination of the Balance Sheet of the Company, related information as made available to us and as represented to us by the management, funds amounting to Rs 11.67 crore raised on short-term basis have been used for long-term investments.
25. There are no accumulated losses exceeding 50% of the networth of the Company at the end of the financial year. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
26. The clauses (iii) (b),(c),(d),(f),(g),(xiii), (xiv), (xix), (xx) of Para 4 are not reported upon as these are not applicable to the company.

For **HARIBHAKTI & CO.**
Chartered Accountants

Place: Mumbai
Date: 27th June, 2008

Manoj Daga
Partner
Membership No. 48523

AUDITORS' CERTIFICATE CORPORATE GOVERNANCE UNDER CLAUSE 49 OF LISTING AGREEMENT (S)

To,
The Members of Rama Newsprint & Papers Limited

We have examined the compliance of conditions of corporate governance by Rama Newsprint And Papers Limited, for the year ended on 31st March 2008, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Corporation 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.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievances, the Registrar & Share Transfer Agent of the company has maintained the relevant records and certified that as on 31st March, 2008, there were no investor grievances pending against the Company for a period exceeding one month.

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

For **HARIBHAKTI & CO.**
Chartered Accountants

Manoj Daga
Partner
Membership No. 48523

Place: Mumbai
Dated: 27th June, 2008

RAMA NEWSPRINT & PAPERS LIMITED

Village Barbodhan, Taluka Olpad, District Surat, Gujarat – 395 005.

PROXY FORM

I/We _____
of _____ being a Member(s)
of Rama Newsprint and Papers Limited hereby appoint _____
_____ of _____
or failing him _____ of _____ as

my (our) Proxy to attend and vote for me (us) and on my (our) behalf at the SEVENTEENTH ANNUAL GENERAL MEETING of the Company to be held on Friday, 19th September 2008 at 2:30 p.m. at the Registered office of the Company, and at any adjournment thereof.

Signed this _____ day of _____ 2008

Signature _____

Affix a
1 Rupee
Revenue
Stamp here

This Proxy form must be duly completed and deposited with the Company at its Registered Office, at least 48 HOURS before the Meeting.

----- (TEAR HERE) -----

RAMA NEWSPRINT & PAPERS LIMITED

Village Barbodhan, Taluka Olpad, District Surat, Gujarat – 395 005.

ATTENDANCE SLIP

TO BE SIGNED AND HANDED OVER AT THE ENTRANCE OF THE MEETING HALL
(To be filled in BLOCK LETTERS)

Full name of the member attending _____

Full name of the first joint holder _____

(To be filled in if first named joint holder does not attend the meeting)

Name of Proxy _____

(To be filled in if proxy form has been duly deposited with the Company)

I hereby record my presence at the SEVENTEENTH ANNUAL GENERAL MEETING of the Company held on Friday, 19th September 2008 at Village Barbodhan, Taluka Olpad, District Surat, Gujarat – 395 005.

Register Folio No. _____

DPID _____

Account ID _____

No. of Shares held _____

Member's / Proxy's Signature

(To be signed at the time of
handling over this slip)

BOOK-POST

If undelivered, please return to :

RAMA NEWSPRINT AND PAPERS LIMITED

3rd Floor, Shreenivas House, Hazarimal Somani Marg, Fort,
Opp. Bombay Gymkhana, Mumbai-400001.

Printed at :
Bhaskar Printing Press
S. G. Highway, Ahmedabad.