

ASHUTOSH PAPER MILLS LIMITED

BOARD OF DIRECTORS

Mr. Rajendra Aggarwal	Chairman cum Managing Director
Mr. Sanjay Kumar Aggarwal	Director
Mr. Rakesh Kumar Aggarwal	Director
Ms. Sangeeta Rani	Director
Mr. Ashok Kumar	Director
Mr. Bal Kishan Sharma	Director

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REGISTERED & ADMINISTRATIVE OFFICE

B-7, Radhey Shyam,
Park Extn.
Delhi-110051

STATUTORY AUDITORS

SNMG & Co.
LGF-35, Lajpat nagar III
DELHI-110024



ASHUTOSH PAPER MILLS LIMITED

Notice of the 20th Annual General Meeting

Notice is hereby given that the 20TH Annual General Meeting of the Members of the Company will be held on Thursday, 29th September, 2008 at 10.30 A.M at IPEX Bhawan, IP Extention, Delhi -110092 to transact the following businesses:

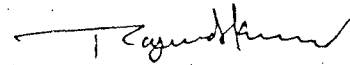
Ordinary Business

1. To receive, consider and adopt the Audited Accounts for the year ended 31st March, 2008 and the Auditors and Directors Reports thereon.
2. To appoint a Director in place of Shri Rajendra Aggarwal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Rakesh Kumar Aggarwal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Registered Office
B-7, Radhey Shyam,
Park Extn.
Delhi-110051

By the Order of the Board

for ASHUTOSH PAPER MILLS LIMITED

X 

(Rajendra Aggarwal)

CMD

Dated: 20.7.2008

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THAT MEETING.
2. REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS WILL BE CLOSED FROM 22/09/2008 to 29/09/2008, BOTH THE DAYS INCLUSIVE.
3. MEMBERS ARE REQUESTED TO PLEASE NOTIFY IMMEDIATELY ANY CHANGE IN THEIR ADDRESSES TO THE COMPANY.
4. MEMBERS/PROXIES SHOULD BRING THE ATTENDANCE SLIP DULY FILLED IN FOR ATTENDING THE MEETING.
5. THE PRACTISE OF DISTRIBUTING COPIES OF ANNUAL REPORT AT THE ANNUAL GENERAL MEETING HAS BEEN DISCONTINUED AS A MEASURE OF ECONOMY. MEMBERS ARE THEREFORE REQUESTED TO BRING THEIR COPIES OF THE ANNUAL REPORT TO THE MEETING.
6. SHAREHOLDERS SEEKING ANY INFORMATION WITH REGARD TO ACCOUNTS ARE REQUESTED TO WRITE WELL IN ADVANCE SO AS TO REACH THE COMPANY AT LEAST 7 DAYS PRIOR TO THE ANNUAL GENERAL MEETING TO ENABLE THE MANAGEMENT TO KEEP THE INFORMATION READY AT THE AGM.



ASHUTOSH PAPER MILLS LIMITED

DIRECTORS REPORT

To
The Members
ASHUTOSH PAPER MILLS LIMITED

Your Directors have pleasure in presenting the 20th Annual Report on the business, operations and financial performance of the company during the financial year ended 31st March 2008.

BUSINESS REVIEW

The year has ended with a net profit of Rs. 19,820,460.08 as against Net Profit of Rs. 25,200,718.50 of last year. The Company is exploring alternative avenues for business opportunities and entered into capital markets in current year. The Company is trying its best to keep its expenses in check in spite of inflationary trends and to expand the business of the Company. Baring unforeseen circumstances- we expect better performance in the current year by trading and investing cautiously.

DIVIDEND

In view of accumulated losses, no dividend is being recommended.

CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance. Your Director adhere to the stipulations set out in the Listing Agreement with the Stock Exchanges and have implemented all the prescribed requirements.

A separate report on Corporate Governance as stipulated, under Clause 49 of the Listing Agreement, with the Stock Exchanges and have implemented all the prescribed requirements.

A certificate from the auditors of the company M/S SNMG & CO. confirming compliance of conditions of Corporate Governance as stipulated in Clause 49 is annexed to this report.

Listing Status: Your Company is listed on Bombay Stock Exchange, Delhi Stock Exchange, Ahmadabad Stock Exchange and Jaipur Stock Exchange. At none of the Exchanges, any trading has been recorded.

BOARD OF DIRECTORS

Your board of directors consist of Mr. Rajendra Aggarwal (C.M.D), Mr. Sanjay Kumar Aggarwal (Director), Ms. Sangeeta Rani (Director), Mr. Rakesh Kumar Aggarwal (Director), Mr. Ashok Kumar (Director), Mr. Bal Kishan Sharma (Director)

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to section 217 (2AA) of the companies ACT, 1956, it is hereby confirmed:

1. That in the preparation of the accounts for the financial year ended 31st March, 2008 the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 the year under review.
3. That the directors have taken proper and sufficient care 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. That the Directors have prepared the accounts for the financial year ended 31st March, 2008 on a going concern basis.

AUDITORS

M/s SNMG & CO. holds office of the statutory auditors of the company until the conclusion of the ensuing Annual General Meeting is eligible for reappointment.

The company has received certificate from them to the effect that their reappointment, if made, would be within the prescribed limits under Section 224 (IB) of the Companies Act, 1956 and they are not disqualified for such reappointment within the meaning of Section 226 of the said Act.

THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

In terms of the above rules, your directors are pleased to give the particulars as prescribed therein in the annexure, which form part of the directors' reports.

a. AUDIT COMMITTEE

As per the provisions of the Listing Agreement and pursuant to Section 292A of the Companies Act, 1956, the members of the Committee consist of Mr. Rajendra Aggarwal, Chairman cum Managing Director, Mr. Sanjay Kumar Aggarwal, Director and Mr. Rakesh Kumar Aggarwal, Director.

b. INVESTORS/SHAREHOLDERS' GRIEVANCE COMMITTEE

As per the provisions of the Listing Agreement, the members of the Committee consist of Mr. Rajendra Aggarwal, CMD, Mr. Sanjay Kumar Aggarwal, Director and Mr. Rakesh Kumar Aggarwal, Director.

PARTICULARS OF EMPLOYEES

As required by the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rules, 1975, as amended, no

employee was in receipt of remuneration exceeding Rs. 24,00,000/- per annum or Rs. 2,00,000/- per month for any part thereof.

PUBLIC DEPOSITS

The company has not accepted any deposit from public within the meaning of section 58-A of the companies ACT, 1956 read with the companies (Acceptance of Deposits) rules, 1975.

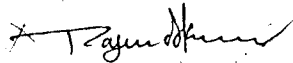
ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO

Particulars with respect to conservation of energy, Technology absorption, Foreign Exchange Earnings & 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 is given in the Annexure forming part of this report.

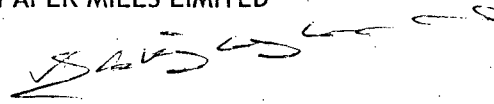
APPRECIATION

The Company places on record its deep appreciation of the devoted services of executives and other staff of the company who have contributed in the performance and the Company's inherent strength. Grateful thanks are also due to the investors, the bankers, business associates & all other stakeholders for their continued support to the company from time to time.

By the Order of the Board
For ASHUTOSH PAPER MILLS LIMITED



(Rajendra Aggarwal)
CMD



(Sanjay Kumar Aggarwal)
DIRECTOR

Place: Delhi
Dated: 20/07/2008

ASHUTOSH PAPER MILLS LIMITED

ANNEXURE TO THE DIRECTORS REPORT

CONSERVATION OF ENERGY

The operations of your Company do not consume high levels of energy. Adequate measures have been taken to conserve by using energy, efficient computers and equipment.

A. TECHNOLOGY ABSORPTION

1. Specific areas in which R & D carried out are as follows:

- a. Review of the existing courses and evaluation of feasibility of the new courses to be launched and estimating the costing thereof.
- b. Providing technical support on existing products.

2. Benefits derived as a result of the above R & D:

As a result the organization is being able to implement current courses.

3. *R&D plans to enter in the capital market.*

4. *Expenditure on R & D: NIL*

B. FOREIGN EXCHANGE EARNINGS

There were no foreign exchange earnings as well as outgo of the company during the year under report.

ASHUTOSH PAPER MILLS LIMITED

Report On Corporate Governance

(As required by clause 49 of the Listing Agreement of the Stock Exchanges)

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your company possesses an ethical mindset about the values of good Corporate Governance. For Ashutosh, Corporate Governance stands for responsible and value creating management and control of the Company. The company's policies and practice are not only consistent with the statutory requirement but also underline its commitment to operate in the best interest of its stakeholders.

Ashutosh is committed to maintain highest standards of ethical behaviour and makes an honest endeavour to uphold the attributes of transparency, independence, accountability, responsibility and growth in all aspects of its operations.

II. BOARD OF DIRECTOR

In furtherance of its Corporate Governance policy the Company ensures that all statutory, significant material information are placed before the board/committee of directors for their approval to enable them to discharge their responsibilities as trustees.

As on year ended 31st March 2008, the Board had a strength of Six directors comprising a executive chairman, Three Non Executive Director, Two non-executive independent director.

The composition of board is as follows:

S. No.	Name of the director	Status
1	Mr. Rajendra Aggarwal	Chairman cum Managing Director
2	Mr. Sanjay Kumar Aggarwal	Non executive Director
3	Ms. Sangeeta Rani	Non executive Director
4	Mr. Rakesh Kumar Aggarwal	Non executive Director
5	Mr. Ashok Kumar	Independent Director
6	Mr. Bal Kishan Sharma	Independent Director

Attendance of each director at Board Meetings and the last AGM

During the year the board of directors met 6 times on the attendance and composition and category of directors are as follows:

Name of the Director	Attendance Particulars			Committee memberships/Chairmanships in our Company		Number of other Directorships & Committee memberships
	No. of Board Meeting		Last AGM	Member-ships	Chairman-ships	Director-ships
	Held	Present				
Mr. Rajendra Aggarwal	6	6	Yes	1	1	4
Mr. Sanjay Kumar Aggarwal	6	6	Yes	1	1	2
Ms. Sangeeta Aggarwal	6	2	Yes	-	-	-
Mr. Rakesh Kumar Aggarwal	6	6	Yes	1	1	-
Mr. Ashok Kumar	6	6	Yes	-	-	-
Mr. Bal Kishan Sharma	6	1	No	-	-	-

III. COMMITTEES OF THE BOARD

a) Audit Committee

The Audit Committee has been constituted as per section 292A of the companies Act, 1956 and the guidelines set out in the Listing Agreement with Stock Exchanges.

The composition of the Audit Committee is as under:

Mr. Rajendra Aggarwal	Chairman
Mr. Sanjay Kumar Aggarwal	Director/Member
Mr. Rakesh Kumar Aggarwal	Director/Member

Four meetings of committee were held during the year on 30/04/2007 and on 21/07/2007. All the members of the committee were present in the meetings held during their respective tenure.

The Audit Committee of the Company, *inter-alia*, provides assurance to the Board on the existence and adequacy of effective internal control systems. Brief description of the terms of reference to the Audit Committee: -

- Oversight of the Company's financial reporting process and the disclosure of its financial information.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment of any other services.
- Reviewing and recommending the appointment and removal of managerial personnel, fixation of remuneration and also approval for

- payment for any other services as recommended by the Remuneration Committee.
- d) Reviewing with management of the annual financial statements before submission to the board, focusing primarily on:
 - e) Any changes in accounting policies and practice.
 - f) Major accounting entries based on exercise of judgment by management.
 - g) Qualifications in draft audit report.
 - h) Significant adjustments arising out of audit.
 - i) The going concern assumption.
 - j) Compliance with accounting standard.
 - k) Any related party transactions of the company of material nature, with Promoters or the management, their subsidiaries or relatives etc. that May have potential conflict with the interests of Company at large.
 - l) Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
 - m) Reviewing the adequacy of internal audit functions.
 - n) Discussion with internal auditors on any significant findings and follow-up there on.
 - o) Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 - p) Discussion, with external auditors before the audit commences, of nature and scope of audit as well as has post-audit discussion to ascertain any area of concern.
 - q) Reviewing the Company's financial and risk management Policies.
 - r) To look into the reasons for substantial defaults in the payment to the creditors.
 - s) To consider and review any other matter as may be directed by the Board.

b) INVESTORS /SHAREHOLDERS GRIEVANCE COMMITTEE

The Company has formed the Shareholders Grievances / Share Transfer Committee, constituted by the Board, to approve inter- alias transfer / transmission of shares, issue of duplicate share certificates, approving the split and consolidation requests and other matter including Shareholders Complaints and grievances. The Committee also reviews the periodicity and effectiveness of the Share transfer process, statutory certifications.

The composition of the Audit Committee is as under:

Mr. Rajendra Aggarwal	Chairman
Mr. Sanjay Kumar Aggarwal	Director/Member
Mr. Rakesh Kumar Aggarwal	Director/Member

Four meetings of committee were held during the year on 30/04/2007 and on 21/07/2007. All the members of the committee were present in the meetings held during there respective tenure.

The Minutes of the Committee Meeting are placed at the Board meeting from time to time. The Board has authorized the Share transfer Committee and the Company Secretary severally to approve the transfer of shares.

During the year, all the Complaints of the Shareholders were resolved to the satisfaction of the shareholders.

IV. COMPLIANCE OFFICER OF THE COMPANY

Rajendra Aggarwal, Chairman cum Managing Director of the Company is the Compliance Officer for complying with the requirements of the Listing Agreement with the Stock Exchanges.

V. GENERAL BODY MEETING: -

a) GENERAL MEETING

DETAILS OF LAST THREE ANNUAL GENERAL MEETINGS

AGM	Financial Year	Date	Time	Location
19 th AGM	2006-2007	29.08.2007	3.00 PM	Top Floor, Vikas Complex, Vikas Marg, Shakarpur, Delhi-110092,
18 th AGM	2005-2006	30.09.2006	3.00 PM	Top Floor, Vikas Complex, Vikas Marg, Shakarpur, Delhi
17 th AGM	2004-2005	30.09.2005	3.00 PM	Top Floor, Vikas Complex, Vikas Marg, Shakarpur, Delhi

b) POSTAL BALLOT

No resolutions were passed by postal ballot during the year ended 31st March 2008.

c) SPECIAL RESOLUTION:

No special resolution was passed.

VI. CODE OF CONDUCT

The Company is committed to conduct business in accordance with the highest standards of business ethics and complying with applicable laws, rules and regulations.

The Company believes that a good corporate governance structure would not only encourage value creation but also provide accountability and control systems commensurate with risks involved.

The code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them.

VII. DISCLOSURES

Transactions with related parties, as per requirements of Accounting Standard 18, are disclosed in Annexure to the Notes to Accounts. These are not in conflict with the interest of the Company in view of the following:

- a) All details relating to financial and commercial transactions wherein Directors may have a potential interest are provided to the Board and the interested Directors neither participate in the discussion nor do they vote on such matters.
- b) These are at prices which are reasonable, having regard to the prevailing market prices at the relevant time.

VIII. GENERAL SHAREHOLDER INFORMATION

Financial Year	1 st April 2007 to 31 st March 2008
20 th Annual General Meeting	on Thursday, 29 th September, 2008 at 10.30 A.M at IPEX Bhawan, IP Extension, Delhi -110092
Financial Calendar	
Financial Year	1 st April to 31 st March
1 st Quarterly Results	End July 2007
2 nd Quarterly Results	End October 2007
3 rd Quarterly Results	End January 2008
4 th Quarterly Results	End April 2008
Date of Book Closure	22/09/08 to 29/09/08 (Both days inclusive)
Dividend Date	Not Applicable

Listing on Stock Exchange

The shares of the company are listed at Delhi, Mumbai, Jaipur & Ahmadabad Stock Exchanges.

IX. SHARE TRANSFER SYSTEM

All work related with the share transfer is handled by the company internally through its in-house system. Share transfers are registered within a maximum of 30 days from the date of lodgement of the documents which are complete in all respects.

X. DEMATRIALISATION OF SHARES

The Company is yet to obtain connectivity with the Depositories.

XI. INVESTORS CORRESPONDENCE

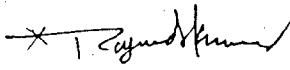
Investors may address any correspondence to:

Ashutosh Paper Mills Ltd
B -7, Radhey shyam Park Extn.
DELHI - 110051

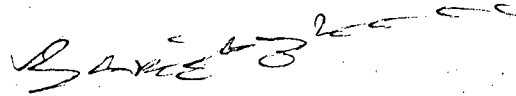
CERTIFICATE IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT

In terms of clause 49 of the Listing Agreement, it is certified as under that:

- (a) The financial statements and the cash flow statement for the year have been reviewed and that to the best of our knowledge and belief :
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transaction entered into by the Company during the years which are fraudulent, illegal or violative of the Company.
- (c) We accept responsibility for establishing and maintaining internal controls and have evaluated the effectiveness of the internal control systems of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We had indicated to the Auditors and the Audit Committee :
 - (i) Significant changes in internal control during the year;
 - (ii) Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.



(Rajendra Aggarwal)
CMD



(Sanjay Kumar Aggarwal)
DIRECTOR

Place: Delhi
Dated: 20/07/2008

AUDITORS CERTIFICATION ON CORPORATE GOVERNANCE

TO THE MEMBERS OF ASHUTOSH PAPER MILLS LIMITED

We have examined the compliance of conditions of Corporate Governance by ASHUTOSH PAPER MILLS LIMITED, for the year ended on 31st March, 2008 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

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 Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement 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 condition of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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.

Place: Delhi
Date: 20.07.2008

For: SNMG & Co.
Chartered Accountants

Neeraj Gupta
(Neeraj Gupta)
(Partner)

Membership No. 088583

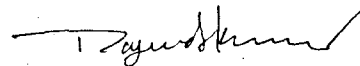


CERTIFICATION BY CHIEF EXECUTIVE OFFICER

To the best of knowledge and belief, we certify that:

- 1) We have reviewed financial statement and the cash flow statement for the period ended 31.03.2008 and that to the best of our knowledge and belief:
 - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- 2) There are, to the best of our knowledge and belief, no transaction entered into by the company during the period, which is fraudulent, illegal or violative of the company's code of conduct.
- 3) Further, we accept responsibility to establish and maintain internal controls for financial reporting and Accordingly, we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the Audit committee, wherever applicable:
 - a) Deficiencies in the design or operation of the internal controls, if any of which we are aware and the steps have been taken or propose to take rectify these deficiencies.
 - b) Significant changes in the internal control over the financial reporting during the period;
 - c) Significant changes in accounting policies during the period and that the same have been disclosed in the notes to the financial statements;
 - d) Instances of significant fraud of which we came to know and involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

For and On behalf of the Board of Directors



(Rajendra Aggarwal)
CMD

Place: Delhi
Dated: 20/07/2008

**ASHUTOSH PAPER MILLS LIMITED
MANAGEMENT DISCUSSION & ANALYSIS**

BUSINESS SCENARIO

The Company is exploring alternative avenues for business opportunities and entered into capital markets in current year. The Company is trying its best to keep its expenses in check in spite of inflationary trends and to expand the business of the Company. Baring unforeseen circumstances- we expect better performance in the current year by trading and investing cautiously.

The year has ended with a net profit of Rs. 19,820,460.08 as against Net Profit of Rs. 25,200,718.50 of last year.

MANAGEMENT OF RISK

Management of risk to the business is continuous challenge for any organization growing in size and enhancing its purpose. The traditional risk factors like client risks, industry segment risks and economic risk are well understood and the means to handle them are also fairly established.

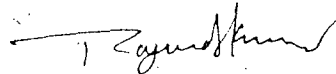
INTERNAL CONTROLS & SYSTEMS

The company ensures existence of adequate internal control through policy and procedures to be followed by the executives at various levels in the company. The operating managers ensure compliance within their areas. The Company has internal Audit system to carry out extensive checking and test and report non-compliance/weakness, if any through internal Audit Reports on the respective areas. These reports along with reports on compliance made thereafter are reviewed by the Audit Committee of the Board.

HUMAN RESOURCE

Management relation with the employees remains cordial. The Company's Human Resources philosophy is to establish and build a strong performance and competency drive culture with greater senses of accountability and responsibility. The industrial relations scenario remained peaceful and harmonious.

For and On behalf of the Board of Directors



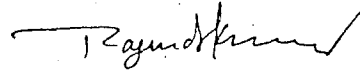
(Rajendra Aggarwal)
CMD

Place: Delhi
Dated : 20/07/2008

DECLARATION BY CHIEF EXECUTIVE OFFICER (CEO)

I, Rajendra Aggarwal, Chairman cum Managing Director of **ASHUTOSH PAPER MILLS LIMITED** hereby declare that all the board members and senior managerial personnel have affirmed for the year ended 31st March, 2008 compliance with the code of conduct of the company laid down by them..

For and On behalf of the Board of Directors



(Rajendra Aggarwal)
CMD

Place: Delhi
Dated: 20/07/2008

To
The Shareholders
ASHUTOSH PAPER MILLS LIMITED

Sub: Auditors Report for the Year Ended on 31.03.2008

Sirs,

We have audited the attached Balance Sheet of ASHUTOSH PAPER MILLS LIMITED as at 31st March 2008 and the Profit and Loss Account of the Company for the year ended on that date annexed thereto and report that 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.

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 from material misstatement. 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.


- 1) As required by the Companies (Auditors' Report) order 2003, issued by the Company Law Board in terms of section 227 (4A) of the Companies Act, 1956, we *enclose* in the annexure, a statement on the matters specified in paragraph 4 and 5 of the said Order.
- 2) Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit:
 - 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 such books:
 - c) The Company's Balance Sheet, Profit and Loss Account dealt with by the report are in agreement with the books of accounts and returns.
 - d) In our opinion, the profit & loss account and balance sheet comply with the mandatory accounting standards referred to in sub-section (3C) of section 211 of companies Act, 1956.




- e) On the basis of our examination of books and according to the information and explanations given to us, no material observations have been noticed during our audit which have any adverse effect on the functioning of the company as referred to in section 227(3)(e) of the companies act.
- f) On the basis of written representation received from the directors of the company as on 31.03.2008, we report that none of the directors of the company is disqualified from being appointed as director under clause (g) of sub section 1 of section 274 of the companies act as referred to in section. 227(3)(f) of the companies act, 1956.
3. In our opinion, and to the best of our information and according to the explanations given to us, the said balance sheet and profit and loss account read together with the significant accounting policies and other notes thereon give the information required by the companies act, 1956 in the manner so required and give true and fair view: -
- i) In so far as it relates to the Balance Sheet, of the state of affairs of the company as at 31st March, 2008 and ;
- ii) In so far as it relates to the Profit & Loss Account, of the profit of the company for the year ended on that date.

Place: New Delhi
Date: 20.07.2008

For M/S SNMG & CO.
Chartered Accountants


(NEERAJ GUPTA)
PARTNER



ANNEXURE: (Referred to in paragraph 3 of our audit report of even date)

- (i) (a) Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

-Yes-

- (b) Whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;

-Yes; No discrepancies noticed-

- (c) If a substantial part of fixed assets have been disposed of during the year whether it has affected the going concern;

-N.A.-

- (ii) (a) Whether the physical verification of inventory has been conducted at reasonable intervals by the management.

-Yes.-

- (b) Are the procedure of physical verification of inventory followed by the management reasonable and adequate in relation to the size of the company and the nature of business – If not, the inadequacies in such procedures should be reported;

-Yes-, No Inadequacies Noticed

- (c) Whether the company is maintaining proper records of inventory and whether any material discrepancies were noticed on physical verification and if so, whether the same have been properly dealt with in the books of account;

-Yes.-, No material discrepancies noticed

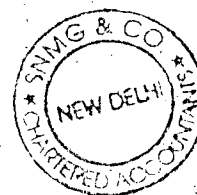
- (iii) (a) has the company either *granted* any loans, secured or unsecured to companies firms or other parties covered in the register maintained under section 301 of the Act, if so, give the number of parties and amount involved in the transaction;

-NO-

- (b) Whether the rate of interest and other terms and conditions of loans given by the company, secured or unsecured are prima facie prejudicial to the interest of the company;

-N.A.

llr



contraventions should be stated; If an order has been passed by the company Law Board whether the same has been complied with or not?

-No public deposit accepted-

- (vii) Where maintenance of cost record has been prescribed by the central government under clause (d) of sub section (1) of section 209 of the Act, whether such account and records have been made and maintenance

-N.A.-

- (viii) (a) Is the company regular in depositing undisputed statutory dues including Provident Fund, investor Education and Protection Fund, Employee's State insurance, Income Tax, Sale Tax, Wealth Tax, Custom Duty, cess and any other statutory dues with the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six month from the date they become payable, shall be indicated by the auditor;

Yes-, No arrears of undisputed statutory dues-

- (b) In case dues of sales tax, Income Tax, Sale Tax, Wealth Tax, Excise Duty / cess have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending may please be mentioned.

-N.A.-

(A mere representation to the department shall not constitute the dispute);

- (ix) Whether the company has defaulted of dues to a financial institution or bank or debenture holders? If yes, the period and amount of default to be reported;

-NO

- (x) If the company is dealing or trading in shares, securities, debentures and other investments, whether proper records have been maintained of the transactions and contracts and whether timely entries have been made therein; also Whether the shares, securities, debentures and other securities have been held by the company, in its own name except to the extent of the exemption, if any, granted under section 49 of the Act; -

-N.A.-

- (xi) Whether the company has given any guarantee for loan taken by others from bank or financial institutions, the terms and condition where of are prejudicial to the interest of the company:

-N.A.-



lll

(xii) Whether term loans were applied for the purpose for which the loans were obtained

-N.A.-

(xiii) Whether the funds raised on short terms basis have been used for long term investment and vice versa, the nature and amount is to be indicated;

-N.A.-

(xiv) Whether the company has made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act, and if so whether the prices at which shares have been issued is prejudicial to the interest of the company;

-N.A.-

(xv) Whether securities have been created in respect of debentures issued?

-N.A.-

(xvi) Whether the management has disclosed on the end use of money raised by the public issued and the same has been verified;

-N.A.-

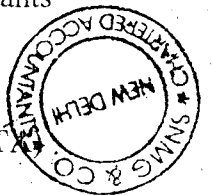
(xvii) Whether any fraud on or by the company has been noticed or reported during the year; if yes, the nature and the amount involved is to be indicated.

-No fraud noticed or reported-

Place: New Delhi
Date: 20.07.2008

For M/S SNMG & CO.
Chartered Accountants


(NEERAJ GUPTA)
PARTNER



ASHUTOSH PAPERS MILLS LIMITED

BALANCE SHEET AS ON 31ST MARCH, 2008

PARTICULARS	SCH. NO.	CURRENT YEAR	PREVIOUS YEAR
SOURCES OF FUNDS			
SHAREHOLDERS FUNDS			
SHARE CAPITAL	1	53,425,750.00	53,425,750.00
TOTAL FUNDS		53,425,750.00	53,425,750.00
APPLICATION OF FUNDS			
CURRENT ASSETS, LOANS & ADVANCES			
LOANS & ADVANCES	2	19,796,820.08	-
CASH & BANK BALANCES	3	28,720.70	5,698.70
LESS: CURRENT LIABILITIES & PROVISIONS	4	19,825,540.78 5,000.00	5,698.70 5,618.00
NET CURRENT ASSETS		19,820,540.78	80.70
PROFIT & LOSS ACCOUNT		33,605,209.22	53,425,669.30
TOTAL FUNDS APPLIED		53,425,750.00	53,425,750.00

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

5

IN TERMS OF OUR SEPARATE REPORT OF EVEN DATE ATTACHED

[Signature]
(DIRECTOR)

[Signature]
(DIRECTOR)

FOR SNMG & CO.
CHARTERED ACCOUNTANTS

DATED : 20/07/2008
PLACE : DELHI



[Signature]
(NEERAJ GUPTA)
PARTNER



ASHUTOSH PAPERS MILLS LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008.

PARTICULARS	SCH.NO	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
INCOME			
SALES		30,194,750.00	-
OTHER S INCOME		70,890.00	67,107,705.81
TOTAL		30,265,640.00	67,107,705.81
EXPENDITURE			
PURCHASES		10,397,929.92	800,000.00
LOSS ON SALE OF FIXED ASSEST		-	41,077,369.31
SALARY TO STAFF		24,000.00	24,000.00
TELEPHONE EXPENSES		6,980.00	-
FILING FEES		3,000.00	-
AUDITOR'S REMUNERATION		5,000.00	5,618.00
GENERAL EXPENDITURE		8,270.00	-
TOTAL		10,445,179.92	41,906,987.31
PROFIT BEFORE DEPRECIATION & TAX		19,820,460.08	25,200,718.50
LESS : PROVISION FOR TAX		-	-
PROFIT AFTER TAX		19,820,460.08	25,200,718.50
PROFIT (LOSS) B/FORWARD FROM EARLIER YEARS		(53,425,669.30)	(78,626,387.80)
PROFIT (LOSS) CARRIED OVER TO BALANCE SHEET		(33,605,209.22)	(53,425,669.30)
BASIC EARNING PER SHARE		3.04	3.86
NOMINAL VALUE OF ONE SHARE		10.00	10.00
DILUTED EARNING PER SHARE		3.04	3.86

SIGNIFICANT ACCOUNTING POLICIES &
NOTES ON ACCOUNTS

5


DIRECTOR)


(DIRECTOR)

IN TERMS OF OUR SEPARATE
REPORT OF EVEN DATE ATTACHED

FOR SNMG & CO.
CHARTERED ACCOUNTANTS


(NEERAJ GUPTA)
PARTNER



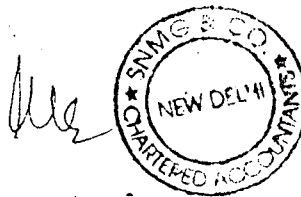
DATED : 20/07/2008
PLACE : DELHI



TATOSH PAPERS MILLS LIMITED

**SCHEDULES ANNEXED TO & FORMING PART OF THE BALANCE SHEET
AND PROFIT & LOSS A/C FOR THE YEAR ENDED 31ST MARCH 2008.**

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
<u>SCHEDULE- 1</u> <u>SHARE CAPITAL</u> <u>AUTHORIZED</u>		
80,000(P.Y.8000000) EQUITY SHARES OF RS.10/- EACH	80,000,000.00	80,000,000.00
<u>UNPAID SUBSCRIBED & PAID UP CAPITAL</u>		
65,400(P.Y.6525400) EQUITY SHARES OF RS. 10/- EACH 65254000.00		
CALLS IN ARREARS 11828250.00	53,425,750.00	53,425,750.00
	53,425,750.00	53,425,750.00
<u>SCHEDULE- 2</u> <u>DEBITORS & ADVANCES</u> ADVANCES RECOVERABLE IN CASH OR IN KIND FOR VALUE RECEIVED	19,796,820.08	
	19,796,820.08	
<u>SCHEDULE-3</u> DEBITORS IN HAND	28,720.70	5,698.70
	28,720.70	5,698.70
<u>SCHEDULE - 4</u> PROVISION FOR EXPENSES	5,000.00	5,618.00
	5,000.00	5,618.00



ASHUTOSH PAPER MILLS LIMITED

**BALANCE SHEET ABSTRACT & COMPANY GENERAL BUSINESS PROFILE
REGISTRATION DETAILS**

I STATE CODE : 55, REGISTRATION NO. 33812
BALANCE SHEET DATE : 31//03/2008,

II CAPITAL RAISED DURING THE YEAR

A. PUBLIC ISSUE NIL
B. RIGHT ISSUE NIL
C. BONUS ISSUE NIL
D. PRIVATE INVESTMENT NIL

III POSITION OF MOBILISATION AND DEVELOPMENT OF FUNDS

TOTAL LIABILITIES : RS. 53430750
TOTAL ASSETS : RS. 53430750

SOURCES OF FUNDS

PAID-UP CAPITAL : RS. 53425750
RESERVE AND SURPLUS : RS. NIL
UNSECURED LOAN : RS. NIL

APPLICATION OF FUNDS

NET FIXED ASSETS : RS. NIL
INVESTMENT : RS. NIL
NET CURRENT ASSETS : RS. 19820540.78
PROFIT & LOSS ACCOUNT : RS. 33605209.22

IV PERFORMANCE OF COMPANY

TURNOVER INCLUDING OTHER INCOME : RS. 30265640.00
TOTAL EXPENDITURE : RS. 10445179.92
NET PROFIT : RS. 19820460.08

GENERAL NAMES OF PRODUCTS- PRINCIPAL OF COMPANY

ITEM CODE NO. :
PRODUCTS DESCRIPTION :

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