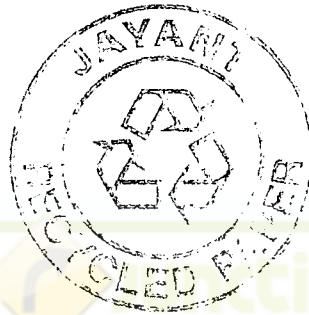


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RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TPA	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
AC	<input checked="" type="checkbox"/>		SHE	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>			



CERTIFIED TO BE TRUE COPY

[Signature]

DIRECTOR

THROUGH TODAY'S
FOR
BROAD HORIZONS





JAYANT PAPER MILLS LIMITED

BOARD OF DIRECTORS

Hargovinddas R.Mehta
Yogesh H.Mehta
Mukesh H.Mehta
Jayantilal R.Mehta
Vijay H.Mehta

Chairman
Managing Director
Executive Director
Director
Director

COMPANY SECRETARY

D.R.Desai

BANKERS

UCO BANK

AUDITORS

M/S.J.L.BHATT & CO.
Yusuf Bldg, Mahatma Gandhi Road, Mumbai-400 001.

M/S.M.A.PARIKH & CO.
Yusuf Bldg, Mahatma Gandhi Road, Mumbai-400 001.

SOLICITORS

M/S.MANILAL KHER AMBALAL & CO.
Jehangir Wadia Bldg., 51, Mahatma Gandhi Road,
Mumbai - 400 001.

REGISTERED OFFICE & MILLS

UTRAN (DIST.SURAT)
GUJARAT - 394 105.

ADMINISTRATIVE OFFICE

2ND FLOOR, RESHAM BHAVAN,
LAL DARWAJA,
SURAT - 395 003.

CORPORATE OFFICE

205,KAKAD CHAMBERS,
132, DR.A.B.ROAD
WORLI, MUMBAI - 400 018.

MULTIWALL PAPER BAG UNIT

PLOT NO.141/2/A/G, GIDC ESTATE
ANKLESHWAR (DIST.BHARUCH)
GUJARAT

37th Adjourned Annual General Meeting

Date : 15-12-1997
Day : Monday
Time : 10.30.A.M
Place : Utran (Dist :Surat)
Gujarat - 394 105.

**JAYANT PAPER MILLS LIMITED****NOTICE**

Notice is hereby given that the adjourned Thirty Seventh Annual General Meeting of the Members of JAYANT PAPER MILLS LIMITED will be held on Monday, the 15th December, 1997 at 10.30.A.M at the Registered Office of the Company at Utran, Dist. Surat (Gujarat) to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 1997. Balance Sheet as at that date and the reports of the Directors' and Auditors' thereon.

BY ORDER OF THE BOARD OF DIRECTORS
For JAYANT PAPER MILLS LIMITED

Date : 21-11-1997
Place : Mumbai

D.R.DESAI
COMPANY SECRETARY.

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER.
2. Proxies in order to be effective should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. Members desirous of obtaining any information in respect of the accounts and operation of the Company are requested to send queries in writing to the Company at its Registered Office so as to reach at least seven clear days before the date of the meeting.
4. As a measure of economy, the Company does not distribute the copies of the Annual Report at the Meeting. Members, therefore, are requested to bring their copies with them.



JAYANT PAPER MILLS LIMITED

DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting the Thirty Seventh Annual Report together with the Audited Annual Accounts for the year ended 31/03/1997 of your Company.

There has been some delay presenting Audited Annual Account for the Financial year ended 31st March, 1997 to the Shareholders on account of Corruption of Accounting data due to failure of Computer hard disc and reentered the same accounting data in the Computer and finalisation of Accounts and Auditing thereof.

The Shareholders are requested to consider and approve the audited account as of 31st March, 1997 which at the ensuing adjourned Annual General Meeting to be held on 15th December, 1997.

The Salient features of Financial Performance of the Company in 1996-97 are as follows.

FINANCIAL RESULTS

	1996-97 (Rs.in lacs)	1995-96 (Rs.in lacs)
Sales and Other Income (Net)	4451.83	3628.73
GROSS PROFIT	72.59	189.95
Less : Depreciation	72.15	65.61
PROFIT BEFORE TAX	0.44	124.34
Less : Taxes	0.06	—
PROFIT AFTER TAX	0.38	124.34
Add/(Less) : Surplus/(Loss) from previous year	46.11	48.14
AMOUNT AVAILABLE FOR APPROPRIATIONS	46.49	172.48
Appropriations		
i) Debenture Redemption Reserve	4.69	4.69
ii) Proposed Final Dividend	—	21.67
iii) General Reserve	—	100.00
BALANCE CARRIED TO BALANCE SHEET	41.80	46.12
	=====	=====

DIVIDEND

To Conserve the cash resources the Board of Directors regret their inability to recommended payment of any dividend for the year under review.

OPERATIONS :

The Company mark the year under review as the year of full of despair and difficulty.

The production of Paper & Paper Board during the year under review has decline to 13176 M.T. as against 18332 M.T. in the previous year. However, Sales Turnover has including Sale of Trading Goods as marginally increased by 12 % from Rs.3576.77 Lacs to Rs.3988.36 Lacs.

The Company witnessed drastic reduction of Gross Income from Rs.189.95 lacs of previous year to Rs.72.59 lacs for the year under review, mainly due to stiff competition of Overseas Manufactures and unremunerative



JAYANT PAPER MILLS LIMITED

price, suspension of production of News Print due to unfavourable market conditions, lower margin made available, recessionary condition prevailing in the Paper Industry due to New Government Policy, Steep rise in prices of Gas, Electricity and other materials, inadequate and int timely supply of Waste Paper Materials coupled with liquidity crunch and recessionary trend prevailing in the Industry as a whole.

As the members are aware that the Government of India had included Newsprint product under Open General Licence (OGL) and allowed free import of Newsprint without payment of any duty and certain Foreign Manufacturers were dumping of Newsprint in Indian Market. The landed price of imported Newsprint has come down drastically and this has adversely affected the domestic price of News Print. The Company alongwith other Newsprint Manufacturers have strongly represented to the Government that import duty should be imposed on Newsprint in order to foil the attempts of international majors in Paper Industry to dump the product in India at very lower price compared to price at which they are selling in their domestic market. The Director are hopeful that the Government will take a quick remedial action in order to protect the domestic industry from dumping by foreign manufacturers. Your Directors are of the view that survival of Paper Industry can be expected only after the anti-dumping duty issue is resolved.

OUT LOOKS :

The Company is very optimistic as the Government of India has made the Import of Newsprint out of Open General Licence and restricted the import by the Actual users only. It has also announced for Anti-dumping duty and therefore the Company has confidence for its improvement in its performance and to achieve higher Sales Turnover with better profitability in the coming year by way of Curtailing the cost of production and controlling the administrative and other related expenses.

FIXED DEPOSIT:

Your Company's made Public Deposit Scheme, received a spontaneous response under which deposits amounting to Rs.17,10,000/- have been collected in first six months of the scheme. We acknowledge with deep gratitude the faith reposed by Shareholders and depositors in the Company and its Management. There were no over due deposits as on 31st March, 1997. During the year 36 Deposits of the value of Rs.3,83,082 have been claimed upto 31st October, 1997.

ENERGY CONSERVATION AND TECHNOLOGY ABSORPTION

Information in accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules 1988 regarding conservation of energy technology absorption and foreign exchange earning and outgo is given in the Annexure forming part of this report.

PARTICULARS OF EMPLOYEES

As required under the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, information relating thereto are set out in the Annexure to the Directors Report.

COMPARISION OF PERFORMANCE VS. PROJECTION.

As you will recall, the Company entered the Capital Market with a Right Issue of 25,10,740 Equity Shares of Rs.10/- each for cash at a premium of Rs.30/- per Share in December, 1995. A Statement of Projected Profitability for the year 1996-97 was set out in the letter of offer. Pursuant to clause 43 of the listing agreement comparative analysis is being given for your information.

**JAYANT PAPER MILLS LIMITED**

Particulars	Actual Performance (1996-97)	Projected as per letter of offer dated 28/11/95
Total Income (Rs.in lacs)	4451.83	7137.21
Profit after tax (Rs.in lacs)	0.38	638.64
EPS (Rs.)	—	16.95
Profit available for Equity Shareholders (Rs.in lacs)	0.38	638.64
Dividend	—	20%

HIGHLIGHTS

	1996-97	1995-96	1994-95	1993-94	1992-93
Paper & Paper Board	Tonnes	Tonnes	Tonnes	Tonnes	Tonnes
Production	13176	18332	19668	17985	17732
Sales	13390	18111	19317	18259	17322
	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)
Gross Revenue	4451.83	3628.73	2895.97	2504.85	1883.37
Gross Profit	72.59	189.95	285.64	206.54	(126.75)
Profit Before Tax	0.38	124.34	228.04	150.03	(218.58)
Profit After Tax	0.38	124.34	228.04	150.03	(218.58)
Dividend	—	21.67	40.03	12.55	—
Retained Earning	0.38	102.67	188.01	137.48	—
Capital Employed	3775.88	1263.44	622.95	414.28	374.45
Equity Capital	221.03	184.85	125.59	125.59	125.59
Reserve & Surplus	2460.69	531.29	251.16	50.70	35.95
Borrowings	1094.16	547.30	246.20	237.99	212.91

APPRECIATION

Your Directors place on record their appreciation for the untiring efforts made by the Chairman Shri H.R.Mehta, Managing Director Shri Y.H.Mehta, Executive Director Shri M.H.Mehta and the officers, employees and workers at all levels during the year under review.

Your Directors also acknowledge with gratitude for the co-operation and financial assistance extended by Gujarat Lease Financing Ltd. and Uco Bank during the year under review.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS.

Dated : 21/11/97
Place : Mumbai

H.R.MEHTA
CHAIRMAN



JAYANT PAPER MILLS LIMITED

ANNEXURE - I TO DIRECTORS' REPORT

Conservation of Energy, Technology Absorption and Foreign Exchange Earning and outgo pursuant to Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY :		Current Year 1996-97	Previous Year 1995-96
(I) Power and Fuel Consumption :			
1. Electricity			
a. Purchased Unit (in 000 Kwh)		11976	15708
b. Total Amount (Rs. in lakhs) (Rate/Unit (Rs.))		401.51 3.35	418.01 2.66
2. Furnace Oil			
Quantity (K.Ltrs.)		26565	—
Total Cost (Rs. in Lacs)		2.46	—
Average Rate (Rs. /K.Ltrs.)		9.26	—
3. Natural Gas			
Quantity (M3)		3743909	3969507
Total Cost (Rs. in Lakhs)		108.14	108.40
Average Rate (Rs. Per 1000 M3)		2888	2738
(II) Consumption per unit of production (Product-paper and paper Board)			
Electricity KWH/ M.T.		909	857
Furnace Oil Ltr./ M.T.		201.62	
Natural Gas M3/M.T.		284.15	216.54

B. TECHNOLOGY ABSORPTION

(I) RESEARCH AND DEVELOPMENT (R & D)

Expenditure on R & D

The Company has incurred revenue expenditure to the tune of Rs. 14509/- during the year under report.

(II) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. The Company has successfully completed the project of on line top layer coating: The feasibility to install equipments for bottom layer coating of Duplex Board is in progress.

2. Benefits to be derived as a result of the above efforts: Value added product with better market acceptability due to wider use for packing of premier commodities.

C. FOREIGN EXCHANGE EARNING AND OUTGO

The Company has incurred foreign exchange expences to the tune of Rs. 198.26 lacs during the year under report. There has not been any Foreign Exchange earnings during the year under review.



JAYANT PAPER MILLS LIMITED

ANNEXURE - II TO DIRECTORS' REPORT

PARTICULARS OF EMPLOYEES

Statement showing particulars of Employees pursuant to the provisions of 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 on 31.03.1997

EMPLOYEES WHO WERE IN SERVICE THROUGH-OUT THE YEAR

Sr. Name No.	Designation & Nature of duties	Remuneration Rs.	Date of Commencement of Employment	Qualification & No of years experience	Age	Last Employment
1. Shri H.R.Mehta	Managing Director	2,81,432	Director since inception and Managing Director from 13-6-1962	47 Years	72	Nil
2. Shri Y.H.Mehta	Managing Director	5,09,731	Whole-time Director from 1/5/77 & Managing Director from 1/5/81	B.E.(Mech) Bombay M.S. (Mech) USA 21 Years	45	Nil
3. Shri M.H.Mehta	Executive Director	4,53,481	Sales Executive from 6-9-80 & Executive Director from 19-3-85	B. Com 17 Years	40	Nil

NOTES :

1. Shri H.R.Mehta ,Shri Y.H.Mehta and Shri M.H.Mehta are related to each other and they are related to Shri J.R.Mehta and Shri V.H.Mehta , Directors of the Company and their employment is Contractual.
2. Remuneration includes salary, contribution to Provident Fund and other Perquisites wherever applicable.



JAYANT PAPER MILLS LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the attached Balance Sheet of JAYANT PAPER MILLS LIMITED as at 31st March, 1997 and also the Annexed Profit & Loss Account of the Company for the year ended on that date and report that :

1. As required by the Manufacturing and Other Companies (Auditors Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and information and explanations given to us, we enclose in the Annexure attached hereto a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
2. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of Audit.
3. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books.
4. The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
- 5.1 During the year, the Company has carried on the business of trading i.e. buying and selling goods and that of rendering of services. These activities are permitted by "Object Clause" of the Memorandum of Association. However, the Company has not obtained prior approval of Shareholders by 'Special Resolution' for the aforesaid businesses of trading and of rendering services, as required by Section 149 (2A) of the Companies Act, 1956. Moreover, the Company has to recover sum of Rs.2,11,17,810/- towards amounts due to it in respect of the service activities. In absence of necessary confirmations of the debtors in that regard, we are unable to express an opinion as regards the recoverability of the said amounts.
- 5.2 The Standard of Accounting for Retirement Benefits in the Financial Statements of Employees (A.S.15) issued by the Institute of Chartered Accountants of India, requires the Company to provide for unencashed leave benefits on accrual basis. However, the Company, in accordance with the past practice, has not provided for such accruing leave benefits, the amount of which, at present, is not ascertained.
- 5.3 Subject to the aforesaid, in our opinion, and to the best of our information and according to the explanations given to us, the accounts subject to Note No.B-3 regarding non provisions of (i) disputed excise demand of Rs.907153, (ii) disputed land revenue cess of Rs.491405, (iii) disputed custom duty of Rs.145072 and Note No.B-4.1 regarding non provision of interest of Rs.21183755 as claimed by the Oil and Natural Gas Corporation Limited earlier or the amount as claimed by them in the Supreme Court of India subsequently for the reasons as explained therein and Note No. B-4.2, regarding non-provision of interest and transport charges of Rs.4560004 as claimed by the Oil and Natural Gas Corporation Limited in a suit filed by them which is disputed by the Company, and B-11 regarding classification of sundry Creditors as unsecured Loans pending confirmations, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - (i) in the case of the Balance Sheet of the state of affairs of the Company as on 31st march, 1997
A N D
 - (ii) in the case of the Profit and Loss Account of the profit for the year ended on that date.

For J.L.BHATT & CO.
CHARTERED ACCOUNTANTS

For M.A. PARIKH & CO.
CHARTERED ACCOUNTANTS

Y.J.BHATT
PARTNER

MANUBHAI A.PARIKH
PARTNER

Place : Mumbai

Dated : 21st November, 1997