

Yach
DIRECTOR



JAYANT PAPER MILLS LIMITED

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**JAYANT PAPER MILLS LIMITED**

BOARD OF DIRECTORS	Hargovinddas R.Mehta	Chairman
	Yogesh H.Mehta	Managing Director
	Mukesh H.Mehta	Executive Director
	Chandrakant D. Gala	Director
	Jayantilal R.Mehta	Director
	Velji Shivji Shah	Director
	Vijay H. Mehta	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 - 400 013.	

38th Annual General Meeting

Date : 30-09-1998
 Day : Wednesday
 Time : 10.00 A.M
 Place : Utran (Dist :Surat)

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

Notice is hereby given that the Thirty Eighth Annual General Meeting of the Members of JAYANT PAPER MILLS LIMITED will be held on Wednesday, the 30th September, 1998 at 10.00 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, 1998, Balance Sheet as at that date and the reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri V.H. Mehta who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri H.R. Mehta who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors who shall hold Office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT Shri Chandrakant D. Gala, who was appointed as an Additional Director of the Company under Section 260 of the Companies Act, 1956, and who holds such office upto the date of this Annual General Meeting and who is eligible for reappointment and in respect of whom the Company has received a Notice in writing alongwith a deposit of Rs. 500/- (Rupees Five hundred only) from a Member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company."

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

"RESOLVED THAT Shri Velji Shivji Shah, who was appointed as an Additional Director of the Company under Section 260 of the Companies Act, 1956, and who holds such office upto the date of this Annual General Meeting and who is eligible for reappointment and in respect of whom the Company has received a Notice in writing alongwith a deposit of Rs. 500/- (Rupees Five hundred only) from a Member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company."

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

"RESOLVED THAT pursuant to the provisions of Section 149 (2A) of the Companies Act of 1956 and other applicable provisions, if any, of the Companies Act 1956, approval of the Company be and is hereby accorded for commencing and Undertaking all or any of the business specified in the Sub-Clause No. 17 of Clause III of the Memorandum and Articles of Association of the Company as and when deemed fit by the Board of Directors upon the aforesaid Sub-Clause becoming effective."



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

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions of the Companies Act, 1956, the Articles of Association of the Company be altered in the following manner:-

A. Insert the following Articles as 26A after Article 26, notwithstanding any provision in the Articles in the event it is permitted by law for a Company to purchase its own Shares or Securities and that the Directors may, when and if thought fit, by such of the Company's own Shares or Securities as they think necessary, subject to such limitations upon such terms and conditions and to such extent as they may think fit, buy back Shares or Securities in and the most beneficial manner, but not to such extent as may be permitted by law.

9. BUY BACK OF SHARES/SECURITIES

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

"RESOLVED THAT if and when permitted by the law and subject to all applicable provisions of the Act and subject to other approvals, permissions and sanctions, as may be necessary, and subject to such regulations and modifications as may be considered necessary by the Board of Directors of the Company, hereinafter referred to as "Board" which expression shall also include a "Committee" or might be constituted or imposed while granting such approvals, permissions and sanctions which may be granted and accepted by the Board, the consent of the Company be and is hereby accorded by the Board, to purchase such number of ordinary shares and other securities specified by the Government of the Company, in the manner thought fit from the holders of the Ordinary Shares or other Securities of the Company, in such manner and manner as may be permitted by law, not exceeding such percentage of the Capital of the Company as may be permitted by law, not exceeding such percentage of the Capital of the Company as may be permitted by law from such funds of the Company as are permitted by law, and the proceeds of any issue made by the Company on such terms and conditions as may be permitted by law."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution the Board or any committee authorised to do all such acts and things and give such directions as may be necessary and the Board or any committee to settle all questions or difficulties whatsoever that may arise in connection with the purchase of Ordinary Shares and other Securities and to deal with such matters in the manner and in the way best seen fit by the Board or any committee, subject to such approvals and any regulations as may be permitted by law."

"RESOLVED FURTHER THAT nothing hereinabove contained shall impose any obligation or liability on the part of or any obligation on the Company or the Board to purchase or to buy back Shares or Securities."

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

Date : 22-03-1998

Place : Mumbai

SECRETARY
COMPANY & ROSSBY Y.

**JAYANT PAPER MILLS LIMITED****NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/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. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of business under Item No. 5 to 7 is annexed hereto.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, the 28th September, 1998 to Wednesday, the 30th September, 1998 (Both days inclusive).
5. 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.
6. Members are requested to immediately notify any change in the addresses, quoting their Folio Numbers and indicating the Pin-Code Number of their delivery post office to the Company.
7. 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.
8. The Company has already transferred unclaimed dividend declared for the Financial Year 1993-94 and 1994-95 (Interim Dividend) to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978. Those Shareholders who have so far not claimed or collected their Dividend for the aforesaid Financial Year, may claim the same from the Registrar of Companies, Gujarat, ROC Bhavan, Opp. Rupal Park, Near Ankur Bus Stop, Naranpura, Ahmedabad - 380 015.

The Unpaid Dividends that are due for transfer to the Central Government are as follows:-

FINANCIAL YEAR ENDED		DUE FOR TRANSFER ON
31.03.1995	Final Dividend	December, 1998
31.03.1996	Final Dividend	November, 1999

Members who have not encashed their Dividend Warrants for the aforesaid Financial Years are requested to approach the Company's Registered Office for obtaining duplicate dividend warrants.



JAYANT PAPER MILLS LIMITED

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENTS REQUIRED BY SECTION 173 OF THE COMPANIES ACT, 1956 TO ACCOMPANY THE NOTICE OF THE ANNUAL GENERAL MEETING OF THE COMPANY.

Item No. 5 & 6

Shri Chandrakant D. Gala and Shri Velji Shivji Shah were appointed as Additional Directors by the Board of Directors of the Company at its meeting held on 4th March, 1998 pursuant to the Provisions of Section 260 of the Companies Act, 1956. Shri Chandrakant D. Gala and Shri Velji Shivji Shah hold the office upto the date of this Annual General Meeting of the Company. The Company has received notice in writing from Members alongwith a deposit of Rs. 500/- pursuant to Section 257 of the Companies Act, 1956 proposing their candidature for the office of Director of the Company.

Shri Chandrakant D. Gala and Shri Velji Shivji Shah take active interest in the affairs of the Company and they have vast experience in the business. The Directors, therefore, recommend to appointment of Shri Chandrakant D. Gala and Shri Velji Shivji Shah to the Board of the Company.

Shri Chandrakant D. Gala and Shri Velji Shivji Shah are interested in the resolutions setout in Item No. 5 & 6 as it concerns them. No other Directors are interested in this Items.

Item No. 7

As you are aware that at present, the Company is engaged in the manufacturing and sale of Newsprint, various types of Industrial Paper Board viz. Coated White Duplex Board, Kraft Board, Chip Board, Unbleached Board etc.

The Company intends to do other business activities like Iron, Brass and other materials and foundery, Iron Steel makers and converters mechanical, civil and hydraulic engineers etc. It is necessary to pass Special Resolution to commence business relating to the aforesaid to facilitate smoother operations to the Company, which is required in terms of Section 149 (2A) of the Companies Act, 1956. The Board of Directors of the Company recommends the resolution for adoption.

Item No. 8

Article 26 of the Articles of Association of the Company prohibits the Company from buying its own Shares. It is proposed to introduce a new Article 26A in the Articles of Association as set out in the Resolution at item No. 8 to enable the Company to purchase its own Shares or Securities, as proposed in the Resolution at item No. 8 in the event it is permissible under the law.

The Board recommends the Resolution for acceptance by the Members.

The copy of Memorandum and Articles of Association together with the proposed alterations is available for inspection by the Members of the Company at its Registered Office between 11.00 A.M. to 1.00 P.M. on any working day of the Company, upto the date of the Annual General Meeting.

The Directors are concerned or interested in the Resolution only to the limited extent of the Shareholding in the Company, if any.

Item No. 9

The Companies Act, 1956 presently prohibits a Company from purchasing its own Shares and Securities. However, it is anticipated that the Law may in future permit a Company to buy back its own Shares and Securities. Subject to the buy back of the Securities being legally permissible, it is proposed to enable the Company to buy its own Ordinary Shares or such other permissible Securities not exceeding such limit/percentage as may be prescribed by law. The resolution, if approved will be operative from such time as may be laid down by the law.



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The Board recommends the resolution for acceptance by the Members.

The Directors are concerned or interested in the resolution only to the limited extent of the Shareholding in the Company, if any.

The Draft clause to be inserted can be inspected during the business hours on any working day except Saturday and Sunday.

None of the Directors of the Company are deemed to concern or interested in the resolution set out in the Item No. 7.

**BY ORDER OF THE BOARD OF DIRECTORS
FOR JAYANT PAPER MILLS LIMITED**

Date : 30-08-1998

Place : Mumbai

**D.R.DESAI
COMPANY SECRETARY.**

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JAYANT PAPER MILLS LIMITED

DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting the Twenty eighth annual Report together with the Audited Annual Accounts for the year ended 31/03/2008 of your Company.

The Salient features of Financial Performance of the Company in 1997-98 are as follows.

FINANCIAL RESULTS

	1997-98 (Rs.in Lacs)	1996-97 (Rs.in Lacs)
Sales and Other Income (Net)	811.76	4451.00
GROSS PROFIT	1410.69	72.39
Less : Depreciation	81.35	72.15
PROFIT BEFORE TAX	(995.01)	0.44
Less : Taxes	---	0.06
PROFIT AFTER TAX	(995.01)	0.38
Add/(Less) : Surplus/(Loss) from from previous year	41.80	46.11
AMOUNT AVAILABLE FOR APPROPRIATIONS	(953.21)	46.49
Appropriations		
— Debenture Redemption Reserve	4.50	4.50
BALANCE CARRIED TO BALANCE SHEET	(957.90)	41.90

DIVIDEND

In view of the huge loss, the Board of Directors regret their inability to recommend 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.

During the year under review, the overall operation of the Company continued to be unsatisfactory due to overall economic scenario and unfavourable conditions prevailing in the Paper Industry.

The production of Paper & Paper Board during the year under review has declined to 1012 M.T. as against 13176 M.T. in the previous year. However, Sales Turnover has decreased from Rs.3341.44 Lacs to Rs.706.26 Lacs.

The Company witnessed drastic reduction of Gross income from Rs. 0.43 Lacs of previous year to Rs.(995.01) Lacs for the year under review mainly due to stiff competition, suspension of production due to unfavourable market conditions, lower margin made available, recessionary condition prevailing in the Paper Industry, Steep rise in prices of Gas, Electricity and other materials, inadequate and timely supply of Waste Paper Materials coupled with liquidity crunch and recessionary trend prevailing in the Industry as a whole. As a result the Company was unable to make timely payment to various Creditors, Statutory Authorities, Gujarat Electricity Board etc.

Against the Net Profit of Rs.0.38 Lacs of the previous year, the Company incurred huge losses of Rs.995.01 Lacs on account of loss on sale of Investments, huge bad debts, heavy interest burden of Loans and other borrowings blocking up of funds in idle and unproductive capital assets and huge loss accounted mainly due to delay of Expansion Project which resulted in erosion of cash profit and net worth of the Company, completely.



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STATUS OF THE PROJECT :-

As the members are aware the Company had been setting up a plant of manufacturing 80 TPD of Newsprint at the existing site at Utran, Dist. Surat, Gujarat - 394 105 at the approximate cost of Rs. 1450 Lacs. The Company had imported a second hand Paper Machine from West Germany in the Year 1995. The machine is capable of manufacturing 80 tons per day of Newsprint as well as other varieties of writing and printing paper.

Delay in the Expansion Project because of untimely disbursement of Loan from Financial Institution and subsequent depression of Market due to heavy dumping of our product mainly Newsprint from Countries like Russia, Indonesia, America, Canada, all the domestic Newsprint manufacturers heavily suffered as well as Jayant Paper Mills Ltd. This heavy cost involved in importing the second hand Paper Machine affected the financial position disturbing the existing activities. The Company has already tried to dispose off this Machine in the market but because of the continuous depression and recession trend in the market, the Company has not been able to sell its second hand imported machine.

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 in Indian Market. The landed price of imported Newsprint has come down drastically and this has adversely affected the domestic price of Newsprint. 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 to 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 Directors 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.

FUTURE OUTLOOK :-

The future outlook of the Company largely hangs on the imposition of anti-dumping duty on imported Newsprint and also on the Banks and participating Financial Institutions favourably considering the Company's proposed revival package.

AUDITOR'S QUALIFICATION :-

The Auditors of the Company have qualified their report in respect of certain matters as referred to therein.

Some of the matters qualified by them are self-explanatory. As mentioned earlier, the Company was faced with several operational, financial and managerial problems on account of various factors beyond its control. In these circumstances, certain irregularities, lapses and non-compliances have occurred. However, your Directors are taking necessary corrective actions to remedy and rectify the same at the earliest.

REFERENCE TO BIFR :-

Based on the Audited Financial Results for the year ended 31st March, 1998, the Company has become a "Sick Industrial Company" within the meaning of Section 3 (1) (b) of the Sick Industrial Companies (Special Provisions) Act, 1985. The Company has made a reference in accordance with the proviso to Section 15 (1) of the said Act, to the Board for Industrial and Financial Reconstruction (BIFR).

ENVIRONMENT :-

The zero discharge effluent treatment plant for the Paper Machine is working satisfactorily as per the norms laid down by Gujarat Pollution Control Board.

DEBENTURE REDEMPTION :-

In view of the continued severe liquidity crunch the Company is unable to redeem outstanding amount of first and second instalments of Rs. 35/- each of 14% Secured Non-Convertible Debenture of Rs.100/- each. The Company has taken steps for re-schedulement of payment of first and second instalments with Debenture Trustee and expects to redeem the outstanding amount at the earliest.