

MD	✓	BKG	✓
CS	✓	DPY	✓
RO	✓	FW	✓
TRA	✓	AG	✓
AG3	✓	SH	✓
YE	✓		

10th ANNUAL REPORT 1997-98

Rana Mohendra Papers Limited
(FORMERLY AGRO BOARDS LIMITED)

TENTH
ANNUAL
REPORT

RANA MOHENDRA PAPERS LIMITED

RANA MOHENDRA PAPERS LIMITED

SCO 6, Sector 17-E, Chandigarh-160 017

NOTICE

NOTICE is hereby given that the 10th Annual General Meeting of the members of Rana Mohendra Papers Limited will be held on Wednesday, the 30th September, 1998 at 10 A.M. at Registered Office Fatehpur (Sialba) Kurali, Distt. Ropar, Punjab to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 1998 and the Profit & Loss Account for the year ended as on that date, together with reports of Directors and the Auditors' Report thereon.
2. To appoint a Director in place of Sh. A.S. Sodhi, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sh. U.S. Gill, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint auditors and fix their remuneration.

By the order of the Board
for RANA MOHENDRA PAPERS LIMITED

RANA HARDEEP SINGH
Chairman cum Managing Director

Place : Chandigarh

Dated : 29th August, 1998

NOTES :

1. A member entitled to attend and vote is also entitled to appoint a proxy to attend and vote instead of himself/herself. The proxy need not be a member of the Company. The proxy in order to be effective, must be lodged at the Registered Office/Administrative Office of the Company not less than 48 hours before the commencement of the meeting.
2. The Register of members of the Company will remain closed from 27th September, 1998 to 30th September, 1998 (both days inclusive).
3. Members are requested to intimate to the Company details, if any, required in relation to this Annual Report at least 10 (Ten) days before the meeting to enable the Management to keep the information ready at the meeting.
4. Members/Proxies are requested to bring their copies of the Annual Report to the meeting and the attendance slip duly filled in for attending the meeting.

RANA MOHENDRA PAPERS LIMITED

**TENTH
ANNUAL
REPORT**

DIRECTORS' REPORT

Dear Shareholders

Your directors have pleasure in presenting their report and audited accounts of the Company for the year ended 31st March, 1998.

FINANCIAL RESULTS	1997-98 (Rs. in lacs)	1996-97 (Rs. in lacs)
PROFIT BEFORE INTEREST	271.58	274.16
DEPRECIATION & TAX		
LESS: (i) INTEREST	152.44	171.28
(ii) DEPRECIATION	99.58	96.55
PROFIT BEFORE TAX	19.56	6.33
LESS: (i) PROVISIONS FOR TAXATION	2.05	0.82
(ii) PROVISIONS FOR DIVIDEND	—	—
(iii) TRANSFERRED TO GENERAL RESERVE	—	—
ADD: (i) BALANCE BROUGHT FORWARD FROM THE PREVIOUS YEAR	517.84	512.33
BALANCE CARRIED TO BALANCE SHEET	535.34	517.84

DIVIDEND

The Directors regret their inability to declare a Dividend for the year under review.

REVIEW OF OPERATIONS

During the year 1997-98 the total turnover of the Company decreased to Rs. 1835.75 lacs from Rs. 2152.26 lacs last year. Mainly due to the fact that paper industry is passing through critical phase leading to poor demand and lower realisation.

PROJECTION VS PERFORMANCE FOR THE YEAR 1997-98

The performance vis a vis projected profitability pursuant to clause 43 of the listing agreement is as under :-

	Projection (in Rs. lacs)	Performance (in Rs. lacs)
(a) Sales	2360.00	1835.75
(b) Net Profits	161.00	17.50

FIXED DEPOSITS

The Company has not accepted any Fixed Deposits from the Public within the meaning

of Section 58-A of the Companies Act, 1956 and the rules made thereunder the period under review.

DIRECTORS

Sh. A.S. Sodhi and Sh. U.S. Gill, Directors retire by rotation and being eligible offers themselves for re-appointment.

ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

Information required under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in Report of the Board of Directors) Rules 1988, regarding conservation of energy, technology absorption and foreign exchange earning and outgo is annexed and forms part of the report.

AUDITORS

M/s Kansal Singla & Associates, Chartered Accountants retire at the ensuing Annual General Meeting but being eligible offer themselves for re-appointment.

PARTICULARS OF EMPLOYEES

None of the employees was in receipt of the remuneration over and above the limit prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rules 1975.

ACKNOWLEDGEMENT

The Board of Directors wish to express their sincere thanks to IFCI, PSIDC and State Bank of India for their continued support and co-operation.

The Board also record their appreciation for the dedicated service rendered by all ranks of the company personnel.

For and on behalf of the Board

Rana Hardeep Singh
Chairman cum Managing Director

Place : Chandigarh
Dated : 29th August, 1998

TENTH
ANNUAL
REPORT

RANA MOHENDRA PAPERS LIMITED

ANNEXURE TO DIRECTORS' REPORT

Disclosure of particulars with respect to conservation of Energy, Technology Absorption, Foreign Exchange earnings and Outgo as required under Companies (Disclosure of Particulars in the Report of Board of Directors) Rule, 1988 and forming part of Directors' Report for the year ended 31st March, 1998.

A) Energy consumption and conservation

Various steps have been taken for the conservation of energy specially in the area of optimising usage of power and fuel. Efforts are on to eliminate leakage, ensuring effective heat transfer as well as heating utilisation.

	1997-98	1996-97
I. Power and Fuel Consumption		
1. Electricity		
a) Purchased		
Units (KWH)	75,38,525	76,42,300
Total Amount (in Rs.)	1,93,35,833	1,71,54,906
Rate per Unit (in Rs.)	2.56	2.24
b) Own Generation (D.G. Sets)		
Through Diesel Generators		
Units (KW)	26,32,001	53,59,762
Total Amount (in Rs.)	72,56,290	1,25,71,592
Unit Per Lt. of Diesel	3.20	3.28
Cost Per Unit (in Rs.)	2.76	2.35
2. Rick Husk		
Husk for Boiler Qty (M.T.)	13,380.72	19,488.29
Total Cost (in Rs.)	1,19,81,415	2,24,28,272
Average Rate (in Rs.)	895.42	1,150.86
3. Coal (Specify quality and where used)		
Steam Coal for Boiler		
Qty. (MT)	2,350.20	1,635.19
Total Cost (in Rs.)	45,37,790	34,15,424
Average Rate (in Rs.)	1,930.81	2,088.70

II. Consumption per MT of Production

	Kraft Paper	
	1997-98	1996-97
1. Electricity (Units)	863	888
2. Rice Husk (MT)	1.14	1.33
3. Coal (Kgs.)	199	143

B) Disclosure of particulars with respect of Technology Absorption, Adaption and Innovation.

Our manufacturing process is based on Indigenous Technology and does not involve any imported Technology. Presently, the Company is not undertaking any significant Research and Development work, The Company has fully absorbed Indian Technology and the Company is in constant touch with the experts both Indian and Abroad for upgrading the Technology. Continuous efforts are on the upgrade our product and to develop further in house expertise.

C) Foreign exchange earnings and outgo

	1997-98	1996-97
	(Rs. in lacs)	
Earnings in Foreign Exchange	NIL	NIL
Outgo	6.02	NIL

RANA MOHENDRA PAPERS LIMITED

TENTH
ANNUAL
REPORT

AUDITORS' REPORT

TO THE MEMBERS OF RANA MOHENDRA PAPERS LIMITED. (Formerly Agro Boards Ltd.)

We have audited the attached Balance Sheet of Rana Mohendra Papers Limited as at 31st March, 1998 and also the profit and loss account of the Company for the year ended on that date annexed thereto, 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, we give in Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph (1) above :
 - 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 the books;
 - c) the balance sheet and profit and loss account dealt with by this report are in agreement with the books of account;
 - d) in our opinion and to the best of our information and according to the explanations given to us, the accounts 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 balance sheet, of the state of affairs of the company as at 31st March, 1998.
and
 - (ii) in the case of the profit and loss account of the profit for the year ended on that date.

for Kansal Singla & Associates
Chartered Accountants

Ajay Kumar Jain
Partner

ANNEXURE TO THE AUDITORS' REPORT

(Referred in Paragraph (1) thereof)

1. The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets. All the fixed assets have not been verified by the management during the year but, according to the information and explanation given to us, there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies between the book records and the physical inventory have been noticed in respect of the assets physically verified.
2. None of the fixed assets have been revalued during the year.
3. The stocks of finished goods, stores, spares parts and raw materials have been physically verified by the management during the year. In our opinion, the frequency of the verification is reasonable.
4. In our opinion and according to the information and explanation given to us, the procedures of physical verification of stocks followed by the management were found reasonable and adequate in relation to the size of the company and the nature of its business.
5. The discrepancies noticed on verification between the physical stocks and the book records were not material in relation to the operations of the company.
6. On the basis of our examination of stocks records, in our opinion, the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
7. The company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956, or from companies under the same management within the meaning of Section 370 (I-B) of the Companies Act, 1956. Where the rate of interest and other terms and conditions are, in our opinion, prima facie prejudicial to the interest of the company.

TENTH
ANNUAL
REPORT

RANA MOHENDRA PAPERS LIMITED

8. The company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956 or to the companies under the same management within the meaning of Section 370 (1-B) of the Companies Act, 1956, where the rate of interest and the terms and conditions are, in our opinion, prima facie prejudicial to the interests of the company.
9. The company has given loans and advances in its ordinary course of business which is being adjusted regularly.
10. In our opinion and according to the information and explanation given to us, there are adequate control procedures commensurate with the size of the Company and nature of its business for the purchase of stores, raw materials including components, plant & machinery, equipment and other assets; and for the sale of goods.
11. In our opinion and according to the information and explanations given to us, no goods and materials, aggregating during the year to Rs. 50,000 or more in respect of each party, were purchased and no goods, materials and services, aggregating during the year to Rs. 50,000 or more in respect of each party, were sold, in pursuance of contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956.
12. As explained to us, the company has a regular procedure for the determination of unserviceable or damaged stores, raw materials and finished goods. Adequate provision has been made in the accounts for the loss arising on the items so determined.
13. The company has not accepted deposits from the public pursuant to Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
14. In our opinion reasonable records have been maintained by the company for the sale and disposal of realizable by products. As explained to us, the company's operations do not generate any significant realisable scrap and by products.
15. The company has an adequate internal audit system commensurate with the size of the company and nature of its business.
16. We have broadly reviewed the books of account maintained by the Company as may be required under Section 209(1)(d) of the Companies Act, 1956 for maintenance of Cost Accounting Records. In our opinion, based on the aforesaid review the Company has prima facie, maintained the prescribed Cost Accounting Records.
17. According to the information and explanations given to us and according to the records of the company, provident fund have not been regularly deposited during the year with the appropriate authorities.
18. According to the information and explanations given to us, there was no undisputed amounts payable in respect of income tax, wealth tax, customs duty and excise duty except Central Sales Tax which have remained outstanding as at 31st March, 1998 for a period of more than six months from the date they became payable. A sum of Rs. 10.52 lacs of Central Sales Tax is outstanding for more than six months.
19. According to the information and explanations given to us and records of the company examined by us, no personal expenses have been charged to revenue account.
20. The company is not a sick industrial company within the meaning of clause (o) of sub-section (1) of Section 3 of Sick Industrial Companies (Special Provisions) Act, 1985.
21. According to the information and explanations given to us, there are no damaged goods in the case of goods purchased for resale.

for Kansal Singla & Associates
Chartered Accountants

Ajay Kumar Jain
Partner