



11th ANNUAL REPORT 1998-99

Rana Mohendra Papers Limited

RANA MOHENDRA PAPERS LIMITED**ELEVENTH
ANNUAL
REPORT****BOARD OF DIRECTORS**

RANA HARDEEP SINGH

Chairman cum Managing Director

RANA MOHENDRAJIT SINGH

RANA GURJEET SINGH

RANA PRABHDEEP SINGH

G.S. PANDEY

H.C. JAIN

U.S. GILL

AUDITORS

Kansal Singla & Associates
Chartered Accountants,
SCO 1114-15,
Sector 22-B,
Chandigarh-160 022

BANKERS

State Bank of India
Industrial Finance Branch,
Sector 22-C,
Chandigarh-160 022

REGD. OFFICE & WORKS

Vill. Fatehpur (Sialba) Kurali
Distt. Ropar (Punjab).

ADMINISTRATIVE OFFICE

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

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NOTE :

The Company is maintaining office at SCO 6, 1st Floor, Sector 17-E, Chandigarh to serve the Shareholders in respect of receipt of Share transfers/Dividend matter and all other matters related with the Shareholders.

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RANA MOHENDRA PAPERS LIMITED

RANA MOHENDRA PAPERS LIMITED

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

NOTICE

NOTICE is hereby given that the 11th Annual General Meeting of the members of Rana Mohendra Papers Limited will be held on Thursday, the 30th September, 1999 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, 1999 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. G.S. Pandey, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sh. H.C. Jain, 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 : 28th August, 1999

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, 1999 to 30th September, 1999 (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.

✓
For Rana Mohendra Papers Limited

PS Kaur

Director

RANA MOHENDRA PAPERS LIMITED

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DIRECTORS' REPORT

Dear Shareholders:

Your directors have pleasure in presenting their report and audited accounts of the Company for the year ended 31st March, 1999.

FINANCIAL RESULTS	1998-99 (Rs. in lacs)	1997-98 Rs. in lacs
PROFIT BEFORE INTEREST	182.93	271.58
DEPRECIATION & TAX		
LESS: (i) INTEREST	141.89	152.44
(ii) DEPRECIATION	105.97	99.53
PROFIT BEFORE TAX	(64.93)	19.56
LESS: (i) PROVISIONS FOR TAXATION	—	2.05
(ii) PROVISIONS FOR DIVIDEND	—	—
(iii) TRANSFERRED TO GENERAL RESERVE	—	—
ADD: (i) BALANCE BROUGHT FORWARD FROM THE PREVIOUS YEAR	535.34	517.84
BALANCE CARRIED TO BALANCE SHEET	470.41	535.34

REVIEW OF OPERATIONS

During the year 1998-99 the total turnover of the Company decreased to Rs. 1278.81 lacs from Rs. 1835.75 lacs last year. As reported last year the recessionary trend in paper industry continued during the period under review. The company is also facing some restrictions on production from Punjab Pollution Control Board, the sincere efforts, however are being made to comply with requirements as imposed by the PPCB. Since April/May, 99 there are some signs of improvement in the market for the paper and if the trend sustains the company hopes to report better results during the current year.

DIVIDEND

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

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. G.S. Pandey and Sh. H.C. Jain, 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.

Y2K COMPLIANCE STATUS

The company has taken adequate steps to ensure that all computerised systems are Y2K compliant. The company has formulated a contingency plan to take care of any eventualities in this connection. The expenditure to ensure Y2K compliance is not expected to have any material financial impact.

The shares of the company are listed on Mumbai, Ahmedabad, Delhi, Jaipur and Ludhiana Stock Exchanges.

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, PSCB 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 : 28th August 1999 Rana Mohendra Papers Lim.

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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, 1999.

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.

	1998-99	1997-98
I. Power and Fuel Consumption		
1. Electricity		
a) Purchased		
Units (KWH)	70,31,448	75,38,525
Total Amount (in Rs.)	1,95,74,923	1,93,35,833
Rate per Unit (in Rs.)	2.78	2.56
b) Own Generation (D.G. Sets)		
Through Diesel Generators		
Units (KW)	3,94,624	26,32,001
Total Amount (in Rs.)	11,97,067	72,56,290
Unit Per Lt. of Diesel	3.17	3.20
Cost Per Unit (in Rs.)	3.03	2.76
2. Rick Husk		
Husk for Boiler Qty (M.T.)	12,202.08	13,380.72
Total Cost (in Rs.)	1,04,60,992	1,19,81,415
Average Rate (in Rs.)	857.31	895.42
3. Coal (Specify quality and where used)		
Steam Coal for Boiler		
Qty. (MT)	333.07	2,350.20
Total Cost (in Rs.)	6,41,783	45,37,790
Average Rate (in Rs.)	1,926.87	1,930.81

II. Consumption per MT of Production

	Kraft Paper	
	1998-99	1997-98
1. Electricity (Units)	909	863
2. Rice Husk (MT)	1.49	1.14
3. Coal (Kgs.)	41	199

B) Disclosure of particulars with respect to 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

	1998-99	1997-98
	(Rs. in lacs)	
Earnings in Foreign Exchange	NIL	NIL
Outgo	4.35	6.02

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AUDITORS' REPORT

TO THE MEMBERS OF RANA MOHENDRA PAPERS LIMITED.

We have audited the attached Balance Sheet of Rana Mohendra Papers Limited as at 31st March, 1999 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. As regard the steps taken by the company in addressing the year 2000 (Y2K) problem. It may be noted that the audit is neither intended nor designed or performed to identify or detect problem arising from the inabilities of computer hardware, software or automotive processes to properly recognise dates. Which involves issues, internal or external, relating to the year 2000.
3. 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 the profit and loss account subject to note no. 1E regarding accounting of leave encashment on cash basis in preference of accounting standard AS 15, comply with the accounting standards referred to in sub section (3C) of section 211.
 - e) in our opinion and to the best of our information and according to the explanations given to us, subject to notes to accounts, which may be read alongwith this report taking the same as integral part of our report. The balance sheet and profit & loss account 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, 1999.
 - and
 - (ii) in the case of the profit and loss account of the loss for the year ended on that date.

for Kansal Singla & Associates
Chartered Accountants

Subhash Mittal
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,