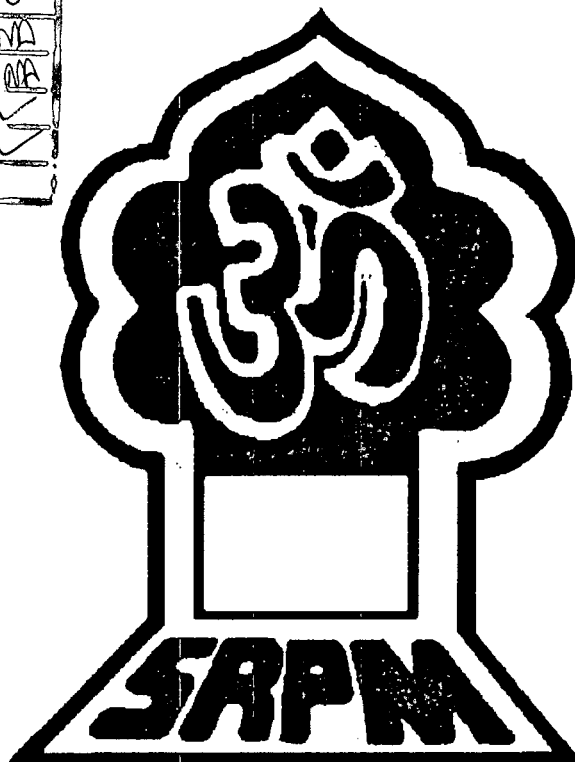


MD	<input checked="" type="checkbox"/>	BKC	<input checked="" type="checkbox"/>
CS	NA		NA
RO	<input checked="" type="checkbox"/>		NA
TRA	NA		<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

Shree Rajeshwarand Paper Mills Ltd.

Authorized Signatory



SHREE RAJESHWARANAND PAPER MILLS LIMITED

7TH ANNUAL REPORT & ACCOUNTS

1997-98

BOARD OF DIRECTORS

Shri Shantilal B. Dave
Chairman

Shri Yashwant C. Oza
Managing Director

Shri Yogesh R. Trivedi
Jt. Managing Director

Shri Satish M. Dave
Technical Director

Shri Devshankar A. Dave

Shri Mohanlal J. Trivedi

Shri Ratilal S. Trivedi

Shri Dharamdutt V. Trivedi

Shri Narendra J. Shah

Shri Dinesh N. Shah

Shri Sunderji M. Gosar

Shri Kirit N. Modi

7TH ANNUAL GENERAL MEETING

Day and Date :
Monday, 31st August, 1998

Venue :
THE SILK MERCHANT ASSOCIATION HALL,
480, Kalbadevi Road, Dhanukar Building,
1st Floor, Mumbai - 400 002.

Time :
1.30 P.M.

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REGISTERED OFFICE

*Shop No. 82, 4th Lane,
Ghadial Gali, Mangaldas Market,
Mumbai - 400 002.*

FACTORY LOCATION

*Bharuch-Jhagadia Road,
Village-Govali,
Taluka-Jhagadia,
Dist - Bharuch
Gujarat (INDIA)*

BANKERS

*Bank of Baroda
GIDC Indl. Estate,
Ankleshwar - 393 002.*

AUDITORS

*A. K. SAVLA & CO.
Chartered Accountants*

Shree Rajeshwaranand Paper Mills Limited

NOTICE

Notice is hereby given that the Seventh Annual General Meeting of SHREE RAJESHWARANAND PAPER MILLS LIMITED., will be held at The SILK MERCHANT ASSOCIATION HALL , Dahanukar Building, 480, Kalbadevi Road, 1st Floor, Mumbai — 400 002 on 31st August, 1998 at 1.30 p.m. to transact the following business;

ORDINARY BUSINESS :

1. To receive, consider & adopt the Audited Balance Sheet as at March 31st, 1998 and the Profit and Loss Account for the year ended as on that date and the Reports of the Directors and Auditor's thereon.
2. To Appoint a Director in place of Shri Shantilal B. Dave who retires by rotation & being eligible ,offers himself for reappointment.
3. To Appoint a Director in place of Shri Mohanlal J. Trivedi who retires by rotation & being eligible ,offers himself for reappointment.
4. To Appoint a Director in place of Shri Narendra J. Shah who retires by rotation & being eligible ,offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER .
The proxy form should be lodged with the company at its Registered Office at least 48 hours before the time of the meeting.
2. The Register of Members & Share Transfer Books of the Company will remain closed from 25th August, 1998 To 31st August, 1998. (both days inclusive).
3. Members are requested to promptly notify any changes in their address to the company at its Registered Office.
4. All documents referred to in the notice are open for inspection at the Registered Office of the Company during office hours on all days except Saturday, Sunday and Public Holidays between 11.00 a.m. to 1.00 p.m. up to the date of Annual General Meeting.
5. For convenience of members, an attendance slip is annexed to the proxy form. Members are requested to affix their signature at the space provided and hand over the attendance slips at the place of meeting. The proxy of a member should mark on the attendance slip as proxy.
6. Members who are holding shares in identical order of names in more than one folio are requested to write to the Company to consolidate their holdings in one Folio.
7. THE MEMBERS DESIROUS OF GETTING ANY INFORMATION ABOUT THE ACCOUNTS AND OPERATION OF THE COMPANY ARE REQUESTED TO ADDRESS THEIR QUERIES TO THE COMPANY IN WRITING AT ITS REGISTERED OFFICE ATLEAST 10 DAYS BEFORE THE MEETING, SO THAT THE SAME CAN BE REPLIED AT THE TIME OF ANNUAL GENERAL MEETING TO THE MEMBERS' SATISFACTION.

Registered Office
S. Deepak Kumar & Co.,
Shop No. 82, 4th Lane, Ghadial Gali,
Mangaldas Market, Mumbai - 400 002.

By order of the Board

sd/-
(SHANTILAL B. DAVE)
CHAIRMAN

PLACE : MUMBAI
DATE : 29th June, 1998

7TH ANNUAL REPORT

DIRECTOR'S REPORT

Dear Members,

Your Directors have pleasure in presenting the Seventh Annual Report of the company together with the Audited Accounts for the year ended 31st March, 1998.

SUMMARISED FINANCIAL RESULTS :

	Year ended 31-3-1998 Rs. in Lacs	Year ended 31-3-1997 Rs. in Lacs
Profit before Interest & Depreciation	256.36	291.40
Less : Interest	300.00	287.43
Profit Before Depreciation	(43.64)	3.97
Less : Depreciation	95.42	91.43
Profit Before Tax	(139.06)	(87.46)
Less : Provision for Tax	—	—
Profit / Loss	(139.06)	(87.46)

DIVIDEND :

In view of the loss incurred by the company during the year under review, your Directors are unable to recommend any dividend for the year ended March 31, 1998.

OPERATION :

As you are very well aware that at present Indian and International Economy is passing through a very high recession. Therefore, the balance between Supply and Demand is badly affected. Further, the instability of our Government has also created various problems for the Indian paper industry and our paper industry is also not protected by Government against the attack of multinational companies. These multinational companies had dumped Imported paper at a very throw out price. Due to this Indian Paper Industry has recorded a historic downtrend in the year under review. Eventhough, the company has produced 12249 M.T. paper during the year as compared to 11773 M.T. of the previous year which is more by 4%. In such a worst year the company has operated at a capacity of 75% against all large scale Indian paper Units was closed or working under 40 to 55% of their capacity. The company's sales for the year under review is affected due to adverse market situation and low sales realisation. Therefore, the sales realisation value for the current year is Rs. 1775 lacs against Rs. 2119 lacs of last year.

FUTURE PROSPECTS OF THE COMPANY :

The company is very optimistic to overcome from this situation as the new Government is concentrating more on Swadeshi and the same is reflected in the Budget announced on 1st June, 1998. The company is also hopeful to take optimum advantage of increasing dollar rate as the same will make the import of paper costly. All these thing have already reflected in the result for the First quarter ended on June, 1998 of the company. During this quarter the company has produced 2860.190 M.T. paper and sold 3516.690 M.T. The company has also achieved the sales of Rs.586.38 lacs during this period. Thus, the company is very optimistic to achieve the projected target of this year.

FIXED DEPOSITS :

At the end of the financial year there was no over due Deposits.

INSURANCE :

The Assets of the Company are fully and adequately insured for all risks.

Shree Rajeshwaranand Paper Mills Limited**DIRECTORS :**

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association Shri S. B. Dave, Shri M. J. Trivedi and Shri N. J. Shah the Directors retire by rotation at the Seventh Annual general meeting of the company and being eligible offer themselves for re-election.

AUDITORS :

M/s. A. K. SAVLA & CO. Chartered Accountants, Statutory Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for reappointment.

PARTICULARS OF EMPLOYEES :

The information required under section - 217 (2A) of the Companies Act.,1956 and the rules framed thereunder is not furnished as none of the employees are in receipt of the remuneration as per the limits prescribed in these rules.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO :

Conservation of Energy , Technology Absorption and Foreign Exchange earnings and the information pursuant to section 217(1)(e) of the Companies Act.,1956,read with the rules thereunder is given in the Annexure - A to this report.

INFORMATION AS PER CLAUSE 43 OF THE LISTING AGREEMENT :

The information as per clause 43 of the listing agreement is given by way of Annexure 'B' to this report.

ACKNOWLEDGEMENT :

The directors wish to place on record their appreciation for the co-operation and assistance received by the company from concerned ministries of Government of India and various department of Government of Gujarat, Financial Institutions, Bankers, Suppliers, Customers. The Directors also wish to thank all the Employees of the company at all levels for their active participation and co-operation.

The Directors wish to record the special thanks to the esteemed Share-holders for responding their confidence in the company.

For and on behalf of the Board

sd/-

(SHANTILAL B. DAVE)
CHAIRMAN

PLACE:MUMBAI

DATE :29th June,1998

7TH ANNUAL REPORT**ANNEXURE — "A"**

PARTICULARS PRESCRIBED U/S-217(1)(e) OF THE COMPANIES ACT., 1956.

	CURRENT YEAR 31-3-1998	PREVIOUS YEAR 31-3-1997
(A) POWER AND FUEL CONSUMPTION :		
ELECTRICITY PURCHASED :		
Units	9258276	9852408
Total Amount (Rs.)	33678761	30229648
Rate per unit (Rs.)	3.64	3.07
Own Generation	NIL	NIL
FURNACE OIL		
Consumption (Qty. in K.L.)	2943.785	2827.066
Total Amount (Rs.)	20730902	19376518
Average Rate per K.L. (Rs.)	7042.26	6853.93
Own Generation	NIL	NIL
(b) CONSUMPTION PER UNIT OF PRODUCTION :		
Newsprint / Writing & Printing Paper Production (M.T.)	12248.686	11773.650
Consumption Per M.T. of Production :		
Electricity (UNIT)	755.839	836.818
Fuel (K.L.)	0.240	0.240
B. TECHNOLOGY ABSORPTION :		
No reaserch & devlopment is carried out by the company.		
No new technology is adopted or innovated.		
C. FOREIGN EXCHANGE EARNINGS & OUTGO :		
Total Foreign Exchange used (CIF value of Imports)	19760526	25033256
Foreign Exchange Earnings	Nil	Nil

ANNEXURE — "B"**INFORMATION UNDER CLAUSE 43 OF THE LISTING AGREEMENT.**

Name of the Company : SHREE RAJESHWARANAND PAPER MILLS LIMITED
 (A) Type of Issue : Public
 (B) Date on Which the issue opened : 1st August,1994.

Financial year for which
 Projection V/S. Actual are
 provided : 01-04-1997 To 31-03-1998

The comparison of actual performance for the year 1997-98 with the projection indicated in the prospectus is as under.

PARTICULARS	Projection in Prospectus	Performance (RS. IN LACS)
Turn Over	3213	1774.70
Profit After Tax	304	(139.06)
E.P.S. (Rs.)	4.08	(—)
Dividend (%)	15.00	0.00

Shree Rajeshwaranand Paper Mills Limited

AUDITORS REPORT

To,

THE MEMBERS OF

SHREE RAJESHWARANAND PAPER MILLS LIMITED,

We have audited the attached Balance Sheet of SHREE RAJESHWARANAND PAPER MILLS LIMITED as at 31st March, 1998 and the Annexed Profit & Loss Account 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 we enclose in the annexure a statement on the matters specified in paragraphs 4 & 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 explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. 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 of the Company.
 - c. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account of the company.
 - d. In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit & Loss Accounts together with the notes there on and attached thereto given in the prescribed manner the information required by The Companies Act., 1956 and also give respectively a True and Fair view of the state of affairs of the Company as at 31st March, 1998 and its loss for the year ended on that date subject to our note no. 3 of Notes to Accounts annexed hereto.

For A. K. SAVLA & CO.
Chartered Accountants

sd/-
(ALPESH SAVLA)
PROPRIETOR

PLACE : MUMBAI

DATE : 29th June, 1998