



SHREE RAMESHWARAM PAPER MILLS LIMITED

12TH ANNUAL REPORT & ACCOUNTS

2002 - 2003

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 Mohanlal J. Trivedi

Shri Ratilal S. Trivedi

Shri Dharamdutt V. Trivedi

Shri G. A. Gogale
(ICICI Nominee Director)

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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)

12TH ANNUAL GENERAL MEETING
Day and Date : Monday, 27th September, 2003

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

Time : 11.00 a.m.

REGISTRAR & TRANSFER AGENTS

SHAREX INDIA PVT. LTD.
17/B, DENA BANK BUILDING,
2ND FLOOR, HORNIMAN CIRCLE,
FORT, MUMBAI : 400 001

BANKERS

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

AUDITORS

Sunderji Gosar & Co.
Chartered Accountants

Shree Rajeshwaranand Paper Mills Limited

NOTICE

Notice is hereby given that the Twelfth 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 27th September, 2003 at 11.00 AM to transact the following business;

ORDINARY BUSINESS :

1. To receive, consider approve and adopt the Audited Balance sheet as at 31st March 2003 and the Profit and Loss Account for the Year ended as on that date and the Reports of the Director's and Auditor's thereon.
2. To Appoint a Director in place of Shri Mohanlal J. Trivedi who retire as Director & being eligible offers himself for reappointment.
3. To Appoint a Director in place of Shri Shantilal B. Dave who retire as Director & being eligible offers himself for reappointment.
4. To appoint Auditors and to authorize the Board to fix their remuneration.

For and on behalf of the Board

Report Junction.com Sd/-

PLACE : GOVALI
DATE : 28/06/2003

SHANTILAL B. DAVE
CHAIRMAN



Registered Office :

S. Deepakkumar & Co.,
Shop no. 82, 4th Lane, Ghadial Galli,
Mangaldas Market, Mumbai - 400 002.

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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 Thursday, September 25th, 2003 to Saturday, September 27th, 2003 (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 of all days except Sunday and Public Holidays between 11.00 a.m. to 1.00 p.m. upto 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'S SATISFACTION.
8. Members are requested to bring their copies of the reports to Annual General Meeting.
9. In order to exercise strict control over the transfer of documents, Members are requested to send the transfer documents / correspondence, if any, directly to :

SHAREX INDIA PVT. LTD.

Unit : Shree Rajeshwaranand Paper Mills Limited

17/B, DENA BANK BUILDING,
2ND FLOOR, HORNIMAN CIRCLE,
FORT, MUMBAI : 400 001

Shree Rajeshwaranand Paper Mills Limited**DIRECTOR'S REPORT :**

Dear Members,

Your Directors have pleasure in presenting the 12th Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2003.

SUMMARISED FINANACIAL RESULTS :

	Year ended 31-03-2003 Rs. in Lacs	Year ended 31-03-2002 Rs. in Lacs
Profit before Interest & Depreciation	461.27	498.58
Less : Interest	224.29	229.92
Profit before Depreciation	236.98	268.66
Less : Depreciation	128.85	119.33
Profit before Tax	108.13	149.33
Less : Provision for Tax	8.50	12.25
Net Profit after Tax	99.63	137.08

DIVIDEND :

In order to conserve the valuable cash resources for modernization of the companies plant & in view of recessionary trends through which your company is presently passing through the Board of Director's do not recommend any dividend for the year ended 31/03/2003.

REVIEW OF OPERATION :

In spite of the continuos recession in the paper industry, your company was able to achieve a production of 18803MT paper in the year under consideration as against 19227MT of the previous year. The company has sold 19173MT in current year as compared to 19894MT of the Previous year. Though the production and sales have reduced the company has made a reasonable Net Profit after tax of Rs. 100 Lacs in the current year as compared to Rs. 137 lacs previous year. The management efforts is reducing the costs coupled with the dedicated efforts of the employees have played a pier role in achieving these results.

OUT LOOK :

The recession in the paper industry continues unabated and thus due to depressed market conditions, the production has declined marginally.

Shree Rajeshwarand Paper Mills Limited

The management is hopeful that the market conditions would improve in the ongoing financial year. The continuous efforts of the management in bringing about the cost reduction would be an added contribution.

The management has decided to concentrate effectively in increasing the quality of the product and exploring new markets.

FIXED DEPOSITS :

At the end of the financial year there were no over due deposits.

DIRECTORS :

In accordance with the provision of the Companies Act 1956 & the company's Articles of Association Shri Mohanlal J. Trivedi & Shri Shantilal B. Dave, Directors retire by rotation at the Twelfth Annual General Meeting of the company and being eligible offer themselves for reelection.

During the Financial year under review Shri Narendra J. Shah has resigned from the Directorship w.e.f. 13/01/2003.

DIRECTORS RESPONSIBILITY STATEMENTS (Pursuant to Section 217 (2AA) of Company's Act, 1956) :

1. In the preparation of the Annual Accounts for the year under consideration, the applicable Accounting Standards have been followed.
2. The Accounting Policy selected has been applied consistently. In the year under consideration, prudent and reasonable judgement and estimates have been made so far as to give a true and fair view of the state of affairs of the company for the year ended 31st March, 2003 and of loss for the period ended on that date.
3. To the best of our knowledge proper and sufficient care has been taken in the maintenance of adequate accounting records in accordance with the Provisions of the Companies Act, 1956 and for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities.
4. The attached Annual Accounts has been made on going concern basis.

COST AUDIT :

The Company has received the approval of the Central Government for appointment of Ketki D. Visaria, as Cost Auditor to conduct the cost audit for the Financial Year 2002 - 2003.

AUDITORS :

M/s. Sunderji Gosar & Co. Chartered Accountants, Statutory Auditors of the company retire at the ensuing Annual General Meeting and are eligible for reappointment.

INSURANCE :

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

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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 :

Particulars of conservation of energy, Technologe Absorption and foreign Exchange earnings and out go 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.

SECRETARIAL COMPLIANCE REPORT :

The Secretarial Compliance Certificate pursuant to second proviso of sub-section (1) of Section 383A of Companies (Amendment) Act, 2000, and sub-rule (1) of rule (3) of the Companies (Compliance Certificate) Rules, 2000, received from **M/s. Millind Nirkhe & Associates, Company Secretaries, Mumbai**, for financial year ended 31/03/2003 is enclosed with this report by way of an Annexure.

REPORT ON CORPORATE GOVERNANCE :

The report on Corporate Governance in accordance with the guidelines of the Securities & Exchange Board of India and clause 49 of the Listing Agreements with the Stock Exchanges is attached and marked as **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 Director 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 their special thanks to the esteemed shareholders for reposing their confidence in the Company.

FOR AND ON BEHALF OF THE BOARD.

SD/-

(SHANTILAL B. DAVE)

CHAIRMAN

PLACE : GOVALI

DATE : 28/06/2003

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ANNEXURE - A

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

	CURRENT YEAR 31/03/2003	PREVIOUS YEAR 31/03/2002
A.		
(A) POWER AND FUEL CONSUMPTION :		
1. ELECTRICITY PURCHASED :		
Units	10705500	10390020
Total Amount (Rs.)	55667308	56143730
Rate per units (Rs.)	5.20	5.40
Own Generation	NIL	NIL
2. FURNACE OIL		
Consumption (Qty. in K.L.)	22.550	15.470
Total amount (Rs.)	367770	189118
Average Rate Per K.L. (Rs.)	16309.09	12224.82
Own Generation	NIL	NIL
3. Coal / Lignite		
consumption (Qty in KG)	9845295	14827935
Total Amount (Rs.)	15502689	17206497
Average Rate per KG (Rs.)	1.57	1.16
Own Generation	NIL	NIL
(b) CONSUMPTION PER UNIT OF PRODUCTION :		
Newsprint / Writing & Printing Paper Production (M.T.)	18803	19227
consumption Per M.T. of Production:		
Electricity (UNIT)	569.35	540.39
Fuel (K.L.)		
Coal / Lignite (Qty. in KG)	523.600	771.200
(a) TECHNOLOGY ABSORPTION :		
1. No research & development is carried out by the Company.		
2. No new technology is adopted or innovated.		
(b) FOREIGN EXCHANGE EARNINGS & OUTGO :		
1. Total Foreign Exchange used (CIF value of Imports)	124055590	70488575
2. Foreign Exchange Earnings	NIL	NIL

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MANAGEMENT DISCUSSION AND ANALYSIS :

a. Industry Structure and Development :

The liberalization of the economy and trade and introduction of new incentive schemes for domestic foreign investments made by the government have resulted in accelerated economic growth, leveling today at 7% to 8% per year against only 1% in 1991. The Paper and Board market in India is expanding fast, with the relative long term growth estimated at approximately 7% per annum.

b. Opportunities and threat :

Newsprint and writing / printing paper presently accounts for 50% of total paper consumption in country and the balance of Industrial paper. Looking to the present scenario and demand-supply position worldwide, there are bright prospects for the Industry manufacturing Newsprint and Writing / Printing paper is as under :

In the year 1996 to 2000 the actual per capita GDP growth rate is estimated at 7% and from 1996 to 2010 it is estimated at 7%. It is as compared to last 15 years on an average high by 3.3 %.

At Present the company is exploring the possibilities of an export market, however, the demand in the domestic market is very high enough to absorb the company's entire production. The company is confident that after modernization program it will be able to produce superior quality of paper equivalent to International standards.

The likely competition in the future from new units would not affect any way the demand for the products manufactured by the company. Moreover with semi-automation and improved technologe being obtained from U.K. the cost of production would be very low as also the product quality would be very good. The company is in paper Industry from last 12 years and the management has enough experience to run the comany in any type of adverse situation.

c. Segment-wise or Product wise performance :

The company is dealing in only one type of product and therefore there is nothing to report in this matter.

d. Out look :

The company unit has already completed 12 years working and therefore it has manufactured variety of paper and recently it has captured the market of Lottery Paper in the region of North and Central part of India.

e. Risks and Concerns :

The current per capita consumption of paper in India at 3 Kg is very low as compared to advanced countries where the per capita consumption ranges from 180 kgs, in USA, which signifies the potential for growth in this industry as Indian consumption is bound to increase by leaps and bounds with the fast changing industrial scenario in the country.

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f. Internal control system and their adequacy :

The company has fully computerized working environment and all the departments are well equipped with the latest facilities available.

g. Discussion of financial performance with respect to operational performance :

In spite of continuous recession in the paper industry, the company was able to achieve a production of 18803 MT paper in the year under consideration as against 19227MT of the previous year. The company has sold 19173MT in current year as compared to 19894MT of the previous year. Though the production and sales have reduced the company has made a reasonable Net Profit after tax of Rs. 100 Lacs in the current year as compared to Rs. 137 lacs previous year.

h. Material developments in Human Resources / Industrial Relation front, including number of people employed :

The Company has maintained good cordial relations with the employees of the Company and there were total 115 employees employed with the Company. Such type of healthy relationships with the employees helps in the smooth working of the Company.

ANNEXURE - B

CORPORATE GOVERNANCE REPORT :

MANDATORY REQUIREMENTS :

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :

1. BOARD OF DIRECTORS : COMPOSITION AND CATEGORY :

The composition of the Board of Directors and also the number of other Board of Directors of which he is a Member / Chairman are as under :

Sr. No.	Names of Directors	Category of Directorship
1	Shri Shantilal B. Dave	Chairman, Non - Executive
2	Shri Yashwant C. Oza	Managing Director
3	Shri Yogesh R. Trivedi	Joint Managing Director
4	Shri Satish M. Dave	Director
5	Shri Ratilal S. Trivedi	Director
6	Shri Dharamdutt V. Trivedi	Director
7	Shri Mohanlal J. Trivedi	Director
8	Shri G.A. Gogale	Independent Director (ICICI Nominee)