

**CERTIFIED TRUE COPY**

For Shree Rajeshwarand Paper Mills Ltd.

*Yogesh R. Trivedi*  
**YOGESH R. TRIVEDI**  
JT. MANAGING DIRECTOR



**SHREE RAJESHWARANAND  
PAPER MILLS LIMITED**

***13TH ANNUAL REPORT & ACCOUNTS***

***2003 - 2004***

## BOARD OF DIRECTORS

**Shri Yashwant C. Oza**  
Managing Director

**Shri Yogesh R. Trivedi**  
Jt. Managing Director

**Shri Satish M. Dave**  
Technical Director

**Shri Chetan Doshi**

**Shri Vinod Murarka**

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## 13TH ANNUAL GENERAL MEETING

Day and Date : Saturday, 25th September, 2004

Venue :

Hotel Parklane, 5th Floor,  
Hind Rajasthan Bldg., 95, Dadasaheb Phalke  
Rd., Dadar (E) Mumbai - 400 014.

Time : 10.00 A.M.

## REGISTERED OFFICE

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

## REGISTRAR & TRANSFER AGENTS

**SHAREX INDIA PVT. LTD.**

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

## FACTORY LOCATION

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

## AUDITORS

N. H. Vyas & Co.  
Chartered Accountants

## BANKERS

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

**Shree Rajeshwaranand Paper Mills Limited****NOTICE**

Notice is hereby given that the Thirteenth Annual General Meeting of SHREE RAJESHWARANAND PAPER MILLS LIMITED, will be held at Hotel Parklane, 5th Floor, Hind Rajasthan Bldg., 95, Dadasaheb Phalke Road, Dadar (E) Mumbai - 400014. on 25<sup>th</sup> September, 2004 at 10.00 a.m. to transact the following business;

**ORDINARY BUSINESS :**

1. To receive, consider approve and adopt the Audited Balance sheet as at 31<sup>st</sup> March 2004 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 Satish Dave who retire as Director & being eligible offers himself for reappointment.
3. To Appoint a Director in place of Shri Vinod Murarka 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

Sd/-

PLACE : GOVALI  
DATE : 10/7/2004

YASHWANT OZA  
Managing Director

**Registered Office :**

S. Deepakkumar & Co.,  
Shop No. 82, 4<sup>th</sup> Lane, Ghadial Galli,  
Mangaldas Market, Mumbai - 400 002.

**Shree Rajeshwarand Paper Mills Limited****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. Th Register of members & Share Transfer Books of the Company will remain closed from Friday, 24<sup>th</sup> September, 2004 to Saturday, 25<sup>th</sup> September, 2004 (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.**

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

## Shree Rajeshwari Paper Mills Limited

### DIRECTOR'S REPORT :

Dear Members,

Your Directors have pleasure in presenting the 13<sup>th</sup> Annual Report of the Company together with the Audited Accounts for the year ended 31<sup>st</sup> March 2004.

#### **SUMMARISED FINANCIAL RESULTS : CHECK FIGURES**

	Year ended 31-03-2004 Rs. in Lacs	Year ended 31-03-2003 Rs. in Lacs
Profit before Interest & Depreciation	448.93	461.27
Less : Interest	202.98	224.29
Profit before Depreciation	245.95	236.98
Less : Depreciation	145.41	128.85
Profit before Tax	100.54	108.13
Less : Provision for Tax	7.92	8.50
Net Profit after Tax	<u>92.62</u>	<u>99.63</u>

#### **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 31/03/2004.

#### **REVIEW OF OPERATION :**

Your Company achieved a turnover of Rs. 41.49 Crores as against Rs. 40.27 Crores of the previous year inspite of the continuous recession in the Paper Industry. The Company has also achieved a profit before tax of Rs. 100.55 lacs as against Rs. 108.13 Crores of the previous year. The management efforts in reducing the cost coupled with dedicated efforts of the employees have helped in achieving this result.

#### **OUT LOOK :**

The continuous recession in the Paper Industry and the depressed market condition have greatly effected your company. Efforts are being made to compete the strict market condition and also in improving the product quality. The management is hoping that the

## Shree Rajeshwarand Paper Mills Limited

market condition will improve in the ongoing financial year. The continuous efforts of the management in bringing about the cost reduction would be an added contribution. For the year 2004-2005 the company has taken an aggressive posture of improving the market share, further with clear instructions of restricting the levels of outstanding amount.

### **FIXED DEPOSITS :**

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

### **INSURANCE :**

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

### **DIRECTORS :**

In accordance with the provision of the Companies Act 1956 & the company's Articles of Association Shri Satish Dave & Shri Vinod Murarka Directors retire by rotation at the Forth coming Annual General Meeting of the company and being eligible offer themselves for reelection.

Also on 31/07/2003 Shri Shantilal Dave, Shri Ratilal Trivedi, Shri Mohanlal Trivedi and Shri Dharamdutt Trivedi resigned from the directorship of the Company and Shri Vinod Murarka and Shri Chetan Doshi were appointed as Directors to fill in the casual vacancy caused by resignation of Shri Shantilal Dave & Shri Ratilal Trivedi respectively. Shri Girish Gogale (ICICI Nominee Director) withdrew his appointment as Director on 31/01/2004.

### **COST AUDIT :**

The Company has received the approval of the Central Government for appointment of Ms. Ketki D. Visariya as Cost Auditor to conduct the cost audit for the Financial Year 2003-2004.

### **AUDITORS :**

M/s. N. H. Vyas & Co. Chartered Accountants, Mumbai, 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 :**

Particulars of conservation of energy, Technology 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.

**Shree Rajeshwarand Paper Mills Limited****DIRECTORS RESPONSIBILITY STATEMENTS (Pursuant to Section 217 (2AA) of Company's Act, 1956) :**

1. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. That the directors had selected such accounting policies and applied them consistently and made judgements and estimated that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year and of the profit or loss of the company for that period.
3. That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the Provisions of this Act for safeguarding the assets of the company and preventing and detecting fraud and other irregularities.
4. That the directors had prepared the annual accounts on a going concern basis.

**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 Agreement with the Stock Exchanges is attached and marked as Annexure - B to this report.

**ACKNOWLEDGEMENT :**

The Board of Directors wishes to place on record its sincere appreciation for due co-operation received from the Company's Bankers. The Directors are also thankful to the employees at all levels for their continued support.

For and on behalf of the Board.

Sd/-

YASHWANT OZA  
Managing Director

YOGESH TRIVEDI  
Jt. Managing Director

PLACE : GOVALI

DATE :10/7/2004

# Shree Rajeshwarinand Paper Mills Limited

## ANNEXURE - A

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

	CURRENT YEAR 31/03/2004	PREVIOUS YEAR 31/03/2003
<b>A.</b>		
<b>(A) POWER AND FUEL CONSUMPTION :</b>		
<b>1. ELECTRICITY PURCHASED :</b>		
Units	10805880	10705500
Total Amount (Rs.)	55924337	55667308
Rate per units (Rs.)	5.18	5.20
Own Generation	NIL	NIL
<b>2. FURNACE OIL</b>		
Consumption (Qty. in K.L.)	NIL	22.550
Total amount (Rs.)	NIL	367770
Average Rate Per K.L. (Rs.)	NIL	16309.09
Own Generation	NIL	NIL
<b>3. Coal / Lignite</b>		
consumption (Qty in KG)	12090.930	9845295
Total Amount (Rs.)	16442809	15502689
Average Rate per KG (Rs.)	1.35	1.57
Own Generation	NIL	NIL
<b>(b) CONSUMPTION PER UNIT OF PRODUCTION :</b>		
Newsprint / Writing & Printing Paper Production (M.T.)	19521	18803
consumption Per M.T. of Production:		
Electricity (UNIT)	553.55	569.35
Fuel (K.L.)	NIL	
Coal / Lignite (Qty. in KG)	619.380	523.600
<b>(a) TECHNOLOGY ABSORPTION :</b>		
1. No research & development is carried out by the Company.		
2. No new technology is adopted or innovated.		
<b>(b) FOREIGN EXCHANGE EARNINGS &amp; OUTGO :</b>		
1. Total Foreign Exchange used (CIF value of Imports)	134850647	124055590
2. Foreign Exchange Earnings	NIL	NIL

## Shree Rajeshwara and Paper Mills Limited

### MANAGEMENT DISCUSSION AND ANALYSIS :

**a. Industry Structure and Development :**

The liberalization of the economy and trade and introduction of new incentive schemas 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 :**

News print and writing paper presently accounts for 50% of total paper consumption in country and the balance of Industrial paper. Looking at the present scenario and demand supply position worldwide, there are bright prospects for the Industry manufacturing newsprint and writing / printing paper.

The likely competition in the future from new units would not affect any way the demand for the products manufactured by the company.

**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 13 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.

**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 recession, the company was able to achieve a production of 18803 MT paper in the year under consideration. The company has made a Net Profit after tax of Rs. 92.62 lacs.

**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.

## Shree Rajeshwaranand Paper Mills Limited

### 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 Yashwant C. Oza	Managing Director
2	Shri Yogesh R. Trivedi	Joint Managing Director
3	Shri Satish M. Dave	Director
4	Shri Vinod Murarka	Director
5	Shri Chetan Doshi	Director

#### BOARD PROCEDURE :

#### ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST ANNUAL GENERAL MEETING :

05 (Five) Board Meetings were held during the financial year ended March 31, 2004, the dates of which are 15/04/2003, 28/06/2003, 31/07/2003, 31/10/2003, 31/01/2004. Mr. Yashwant Oza, Mr. Yogesh Trivedi and Mr. Satish Dave attended all the Board meetings and Mr. Vinod Murarka and Mr. Chetan Doshi attended the Board meetings held on 31/07/2003, 31/10/2003, 31/01/2004. Last Annual General Meeting held on 27/09/2003 was attended by all Directors.

#### 2. SHARE HOLDERS COMMITTEE :

##### (a) FUNCTIONS

The Board of Shree Rajeshwaranand Paper Mills Limited has constituted a Committee of Directors which also functions as Shareholders' / Investors.Grievances Committee', consisting of three members, chaired by Non-executive Independent Director. The Committee interalia, deals with various matter relating to.....