

# **17th ANNUAL REPORT**

## **2007-08**

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**Shree Rajeshwaranand Paper  
Mills Limited**

# SHREE RAJESHWARANAND PAPER MILLS LIMITED

## 17<sup>TH</sup> ANNUAL REPORT 2007-08

<b>BOARD OF DIRECTORS</b>	Mr. Amrish R. Patel	Chairman
	Mr. Prakash R. Vora	Managing Director
	Mr. Udayan D. Velvan	Director
	Mr. Maulik P. Vyas	Director
	Mr. Mahendra V. Shah	Director
	Mr. Dhansukhbhai D. Patel	Director

<b>BANKERS</b>	: Bank of Baroda GIDC Industrial Estate, Ankleshwar – 393 002.
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<b>AUDITORS</b>	: M/s. Sunderji Gosar & Co., Chartered Accountants, Mumbai.
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<b>REGISTERED OFFICE</b>	: 201, Ruby Terrace, M. G. Cross Road, Nr. Bank of Baroda, Vile Parle (E), Mumbai – 400 057.
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<b>FACTORY</b>	: Village: Govali, Bharuch – Jhagadia Road, Tal: Jhagadia Dist: Bharuch Gujarat – 392 022
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**NOTICE**

NOTICE is hereby given that the **SEVENTEENTH ANNUAL GENERAL MEETING** of the Members of **SHREE RAJESHWARANAND PAPER MILLS LIMITED** will be held as scheduled below:

Date : 30<sup>th</sup> September, 2008  
 Day : Tuesday  
 Time : 3.00 p.m.  
 Place : Gokhale Sabhagruh,  
 Lokmanya Seva Sangh-Parle,  
 Ram Mandir Road,  
 Vile Parle (East), Mumbai - 400 057.

to transact the following business:

**ORDINARY BUSINESS:**

1. To receive and adopt Audited Profit and Loss Account for the year ended 31<sup>st</sup> March, 2008 and the Balance Sheet as on that date along with Directors' Report thereon.
2. To appoint a Director in place of Mr. Maulik P. Vyas, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting.

**SPECIAL BUSINESS:**

4. To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:  
 "RESOLVED THAT Mr. Udayan D. Velvan be and is hereby appointed as a Director of the Company, liable to retire by rotation."
5. To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:  
 "RESOLVED THAT Mr. Amrish R. Patel be and is hereby appointed as a Director of the Company, liable to retire by rotation."
6. To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:  
 "RESOLVED THAT Mr. Mahendra V. Shah be and is hereby appointed as a Director of the Company, liable to retire by rotation."
7. To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:  
 "RESOLVED THAT Mr. Dhansukhbhai D. Patel be and is hereby appointed as a Director of the Company, liable to retire by rotation."
8. To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:  
 "RESOLVED THAT pursuant to the provisions of Section 17 of the Companies Act, 1956 and subject to confirmation by the Company Law Board/ National Company Law Tribunal, the Registered Office of the Company be shifted from the state of Maharashtra to the state of Gujarat and clause II of the Memorandum of Association of the Company be altered suitably on such confirmation by the Company Law Board/ National Company Law Tribunal."

**Registered Office:**

201, Ruby Terrace, M. G. Cross Road,  
 Nr. Bank of Baroda,  
 Vile Parle (E),  
 Mumbai - 400 057.  
 Date : 25<sup>th</sup> August, 2008.

**By Order of the Board,**

**Amrish R. Patel**  
*Chairman*

**Shree Rajeshwaranand Paper Mills Limited****NOTES:**

1. The relevant Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business at Item Nos. 4 to 8 as set out in the Notice is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF MEETING.
3. Pursuant to section 154 of the Companies Act, 1956, Register of Members and Shares Transfer Books of the Company will remain closed from Tuesday, the 23<sup>rd</sup> September, 2008 to Tuesday, the 30<sup>th</sup> September, 2008 (both days inclusive).
4. Members intending to require information about accounts at the meeting are requested to write to the Company at least 10 days in advance of the Annual General Meeting.
5. Members are requested to:  
Intimate, if Shares are held in the same name or in the same order and names; but in more than one account to enable the Company to club the said accounts in to one account. Notify immediately the Change if any, in the registered address, to the Company.
6. The Equity Shares of the Company are available for dematerialisation, as the Company has entered into agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Those shareholders who wish to hold shares in electronic form may approach their Depository Participant. The ISIN of the Equity Shares is INE617D01017.
7. 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 Wednesday and Public Holidays between 11.00 A.M. and 1.00 P.M. up to the date of Annual General Meeting.
8. In order to exercise strict control over the transfer documents, Members are requested to send the transfer documents/correspondence, if any, directly to:

**SHAREX DYNAMIC (INDIA) PRIVATE LIMITED****Unit: SHREE RAJESHWARANAND PAPER MILLS LIMITED**

Unit – 1, Luthra Industrial Premises,  
Andheri Kurla Road, Safed Pool,  
Andheri (E),  
Mumbai – 400 072.

**ANNEXURE TO THE NOTICE****EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.**

In conformity with the provisions of Section 173(2) of the Companies Act, 1956, following Explanatory Statement sets out all material facts relating to the Special Business mentioned at Item Nos. 4 to 8 of the accompanying notice dated 4<sup>th</sup> August, 2008 and should be taken as forming part of the notice.

**In respect of Item No. 4:**

The Board of Directors of the Company in their meeting held on 1<sup>st</sup> January, 2008 appointed Mr. Udayan D. Velvan as an Additional Director of the Company.

As per the Articles of Association of the Company and section 260 of the Companies Act, 1956, he will hold the office up to the date of this General Meeting.

As required under the provisions of Section 257 of the Companies Act, 1956, notice has been received from some of the members signifying their intention to propose him as candidate for office of the Director.

Mr. Udayan D. Velvan is dynamic businessman and is holding degree of Bachelor of Commerce. He has over all experience of 30 years in various fields of business.

Mr. Udayan D. Velvan is concerned or interested in the said business, since it relates to his appointment as Director of the Company. Except him, none of the Directors is in any way concerned or interested in the said business.

**In respect of Item No. 5:**

The Board of Directors of the Company in their meeting held on 1<sup>st</sup> January, 2008 appointed Mr. Amrish R. Patel as an Additional Director of the Company.

As per the Articles of Association of the Company and section 260 of the Companies Act, 1956, he will hold the office up to the date of this General Meeting.

Mr. Amrish R. Patel was in Banking industry for a period of almost two decades and since last one decade he is in the business of Real Estate and Construction.

As required under the provisions of Section 257 of the Companies Act, 1956, notice has been received from some of the members signifying their intention to propose him as candidate for office of the Director.

Mr. Amrish R. Patel is concerned or interested in the said business, since it relates to his appointment as Director of the Company. Except him, none of the Directors is in any way concerned or interested in the said business.

**In respect of Item No. 6:**

The Board of Directors of the Company in their meeting held on 31<sup>st</sup> July, 2008 appointed Mr. Mahendra V. Shah as an Additional Director of the Company.

As per the Articles of Association of the Company and section 260 of the Companies Act, 1956, he will hold the office up to the date of this General Meeting.

Mr. Mahendra V. Shah is having experience of 45 years in the field of Paper, Engineering goods, Chemicals etc. as well as of import and export.

As required under the provisions of Section 257 of the Companies Act, 1956, notice has been received from some of the members signifying their intention to propose him as candidate for office of the Director.

Mr. Mahendra V. Shah is concerned or interested in the said business, since it relates to his appointment as Director of the Company. Except him, none of the Directors is in any way concerned or interested in the said business.

**In respect of Item No. 7:**

The Board of Directors of the Company in their meeting held on 31<sup>st</sup> July, 2008 appointed Mr. Dhansukhbhai D. Patel as an Additional Director of the Company.

As per the Articles of Association of the Company and section 260 of the Companies Act, 1956, he will hold the office up to the date of this General Meeting.

Mr. Dhansukhbhai D. Patel is ITI (Elec.) having experience of more than 30 years in the field of Electricals.

As required under the provisions of Section 257 of the Companies Act, 1956, notice has been received from some of the members signifying their intention to propose him as candidate for office of the Director.

Mr. Dhansukhbhai D. Patel is concerned or interested in the said business, since it relates to his appointment as Director of the Company. Except him, none of the Directors is in any way concerned or interested in the said business.

**In respect of Item No. 8:**

The members are aware that the Registered Office of the Company is at present situated at 201, Ruby Terrace, M. G. Cross Road, Nr. Bank of Baroda, Vile Parle (E), Mumbai – 400 057 in the state of Maharashtra. The Board of Directors is of the firm opinion that if the Registered Office is shifted to Village: Govali, Bharuch – Jhagadia Road, Tal: Jhagadia, Dist: Bharuch, Gujarat – 392 022 in the state of Gujarat where the Works and Administrative Office is situated, will add to various administrative efficiencies/ convenience and reduce certain cost. The Board of Directors also feels that for better control over the operations of the Company, it is advisable to shift the Registered Office to the Works located in the state of Gujarat.

As per Section 17 of the Companies Act, 1956, approval of the members by way of Special Resolution is necessary for alteration to clause II of the Memorandum of Association of the Company relating to Registered Office of the Company. As the Registered Office is being proposed to be shifted from one state i. e. Maharashtra to the another state i.e. Gujarat, it would also require confirmation by the Company Law Board/ National Company Law Tribunal.

Copy of the Memorandum and Articles of Association of the Company are open for inspection at the Registered office of the Company on all working days during normal business hours.

None of the Directors of the Company is in any way concerned or interested in this resolution.

Your Directors recommend the Resolution.

**Registered Office:**

201, Ruby Terrace, M. G. Cross Road,  
Nr. Bank of Baroda,  
Vile Parle (E),  
Mumbai – 400 057.  
Date :25<sup>th</sup> August, 2008.

**By Order of the Board,**

**Amrish R. Patel**  
Chairman

**Shree Rajeshwarand Paper Mills Limited****DIRECTORS' REPORT**

Dear Shareholders,

The Directors present the SEVENTEENTH ANNUAL REPORT together with the Audited Statement of Accounts for the Financial Year 2007-08 ended 31<sup>st</sup> March, 2008.

**1. FINANCIAL RESULTS:**

	(Rs. in lacs)	
	2007-08	2006-07*
Profit before Interest and Depreciation	509.52	260.06
Less: Interest	264.71	186.32
Profit before Depreciation	244.81	73.74
Less: Depreciation	172.18	168.60
Profit/(Loss) before Tax	72.63	(94.86)
Less: Provision for Taxation	9.35	-
Less: Provision for Fringe Benefit Tax	1.27	-
Profit/(Loss) after tax	62.01	(94.86)
Add: Prior period adjustments	15.40	(0.80)
Add/(Less): Deferred Tax (Liability)/Assets	(30.49)	161.83
Net Profit/(Loss) after Deferred Tax	46.92	66.17
Add: Balance Brought Forward	131.90	65.73
Balance carried to Balance Sheet	178.82	131.90

\* Figures of the previous year have been re-grouped/ re-arranged.

**2. DIVIDEND:**

With a view to conserve the resources for the working capital requirement of the Company, the Board of Directors have not recommend any dividend on the Equity Shares for the year under review.

**3. REVIEW OF OPERATIONS:**

The Company has earned Profit before Interest and Depreciation of Rs. 509.52 lacs during the year under review compared to Rs. 260.06 lacs during 2006-07. The above results have been achieved by efficiently running the plant and thereby reducing Electricity/Coal cost per unit of production. The raw material (Waste Paper) consumption per unit of Production (Newsprint Paper) has also been reduced.

After providing for Depreciation, Prior period adjustments, Taxation and after taking into account Deferred taxation, the Net Profit for the year under review stood at Rs. 46.92 lacs compared to Rs. 66.17 lacs during 2006-07.

**4. FUTURE PLANS:**

The present installed capacity to manufacture Newsprint/Writing & Printing Paper at the Plant of the Company located at Village Govali, Dist. Bharuch, Gujarat is 60 M.T. per day. With a view to increase the installed capacity to 75 M.T. per day and to modernise the plant for saving of various energies such as power, steam etc., the Board of Directors have decided to incur capital expenditure to the tune of Rs. 200 lacs. The investment would increase the installed capacity of the Company to 75 M.T. per day and would also improve quality of Newsprint/Writing & Printing Paper which would help the Company to reduce its power cost and steam consumption cost. The Management is confident to complete the above by December, 2008 and the benefits would also start accruing from December, 2008.

**5. DIRECTORS:**

5.1 The Board of Directors have appointed Mr. Udayan D. Velvan and Mr. Amrish R. Patel as Additional Directors of the Company in the Board meeting held on 1<sup>st</sup> January, 2008. The Board of Directors also appointed Mr. Mahendra V. Shah and Mr. Dhansukhbhai D. Patel as Additional Directors of the Company in the Board meeting held on 31<sup>st</sup> July, 2008. The Board is of the opinion that their rich experience will benefit the Company. The Board recommends approval of the members.

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- 5.2 Two of your Directors viz. Mr. Yogesh R. Trivedi and Mr. Raman R. Trivedi resigned as Directors of the Company w.e.f. 19<sup>th</sup> June, 2008.
- 5.3 One of your Directors viz. Mr. Maulik P. Vyas retires by rotation in terms of the Articles of Association of the Company. He, however, being eligible offers himself for reappointment.
- 5.4 Three of your Directors viz. Mr. Chetan Doshi, Mr. Raj Karia and Mr. Vinod Murarka have vacated their office as Directors of the Company under section 283(1)(g) of the Companies Act, 1956 w.e.f. 31<sup>st</sup> July, 2008.

**6. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement of Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates 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 the year;
- (iii) that the Directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the annual accounts on a going concern basis.

**7. DEMATERIALISATION OF EQUITY SHARES:**

Shareholders have an option to dematerialise their shares with either of the depositories viz NSDL and CDSL. The ISIN No. allotted is INE617D01017.

**8. PERSONNEL AND H. R. D.:**

The industrial relations continued to remain cordial and peaceful and your Company continued to give ever increasing importance to training at all levels and other aspects of H. R. D.

**9. CORPORATE GOVERNANCE:**

The Report on Corporate Governance as per Clause 49 of the Listing Agreement is annexed.

**10. LISTING:**

The Equity Shares of the Company are listed on Bombay Stock Exchange but presently are in suspension mode at the Bombay Stock Exchange Limited.

**11. SHIFTING OF REGISTERED OFFICE:**

The Board of Directors in their meeting held on 21<sup>st</sup> December, 2007 has shifted Registered Office of the Company to 201, Ruby Terrace, M. G. Cross Road, Nr. Bank of Baroda, Vile Parle (E), Mumbai – 400 057.

The Board of Directors is of the firm opinion that if the Registered Office is shifted to Village: Govali, Bharuch – Jhagadia Road, Tal: Jhagadia, Dist: Bharuch, Gujarat – 392 022 in the state of Gujarat where the Works and Administrative Office is situated, will add to various administrative efficiencies/ convenience and reduce certain cost. The Board of Directors also feels that for better control over the operations of the Company, it is advisable to shift the Registered Office to the Works located in the state of Gujarat.

The approval of members is sought as per the Notice of 17<sup>th</sup> Annual General Meeting.



**Shree Rajeshwaranand Paper Mills Limited****12. CHANGE OF CONTROL:**

The Management has undergone change in part of the Control on 27<sup>th</sup> November, 2006 when Mr. Prakash R. Vora became Managing Director of the Company and full Control of Management of the Company on 19<sup>th</sup> June, 2008 when Mr. Yogesh R. Trivedi, Managing Director of the Company and Mr. Raman R. Trivedi, Director resigned from the Board of Directors of the Company and Mr. Prakash R. Vora, Managing Director and Mr. Udayan D. Velvan took full Control of Management.

**13. PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL & PREFERENTIAL ISSUE:**

The Authorised Share Capital of the Company is proposed to be increased from Rs. 10.00 Crores to Rs. 13.00 Crores as the Company has planned to offer, issue and allot up to 50,00,000 Equity Shares of Rs. 10/- each for cash at par or at the price which is in accordance with the SEBI guidelines for preferential issues, whichever is higher to Non Promoters on preferential basis.

**14. GENERAL:****14.1 INSURANCE:**

The Company's properties including building, plant and machinery, stocks, stores etc. continue to be adequately insured against risks such as fire, riot, strike, civil commotion, malicious damages, machinery breakdown etc.

**14.2 PARTICULARS OF EMPLOYEES:**

None of the employees of the Company is drawing remuneration requiring disclosure of information under Section 217(2-A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

**14.3 DEPOSITS:**

At the end of the Financial Year there were no over due deposits.

**15. AUDITORS:**

The present Auditors of the Company M/s. Sunderji Gosar & Co., Chartered Accountants, Mumbai will retire at the ensuing Annual General Meeting. They have submitted certificate for their eligibility for re-appointment under Section 224(1-B) of the Companies Act, 1956. The notes of Auditors on accounts are self-explanatory.

**16. PARTICULARS AS REQUIRED UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The information required under Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, relating to the conservation of Energy and Technology Absorption forms part of this report and is given by way of Annexure.

**17. ACKNOWLEDGMENT:**

Your Directors express their sincere thanks and appreciation to Promoters, Shareholders, Suppliers and Customers for their constant support and co-operation.

Your Directors also place on record their gratitude to the Banks, Financial Institutions and Government Departments for their confidence reposed in the Company.

**for and on behalf of the Board,**

Place : Ahmedabad  
Date : 4<sup>th</sup> August, 2008.

**Amrish R. Patel**  
Chairman



## ANNEXURE - I

## FORM - A

## A. Disclosure of particulars with respect to Conservation of Energy:

	2007-08	2006-07
(A) Power and fuel Consumption		
1. Electricity		
(a) Purchased Power(units)	9339450	11150160
Total Amount (Rs. in lacs)	496.92	649.71
Rate (unit)	5.32	5.83
(b) Own generation Through Diesel Generator	N.A.	N.A.
2. Coal/Lignite		
Consumption (Qty. in Tonnes)	7201.08	11254.995
Total Amount (Rs.)	232.40	256.34
Average Rate per KG. (Rs.)	3.23	2.28
(B) Consumption of Electricity units per ton of production:		
Newsprint/Writing & Printing Paper		
Production (M.T)	19004	19587
Consumption per M.T. of Production:		
Electricity (Unit)	491.44	569.26
Coal/Lignite (Qty in KG)	378.92	574.61

## B. TECHNOLOGY ABSORPTION :

1. No research & development is carried out by the company.
2. No new technology is adopted or innovated.

2007-08	2006-07
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## C. FOREIGN EXCHANGE EARNINGS &amp; OUTGO:

1. Total Foreign Exchange used (Rs. in lacs)	404.90	997.22
2. Total Foreign exchange earnings	NIL	NIL

for and on behalf of the Board,

Place : Ahmedabad  
Date : 4<sup>th</sup> August, 2008.

Amrish R. Patel  
Chairman