

20th ANNUAL REPORT 2010-11



**Shree Rajeshwaranand Paper
Mills Limited**



SHREE RAJESHWARANAND PAPER MILLS LIMITED

20TH ANNUAL REPORT 2010-11

BOARD OF DIRECTORS	:	Mr. Amrish R. Patel Mr. Prakash R. Vora Mr. Udayan D. Velvan Mr. Maulik P. Vyas Mr. Ashok Kumar V. Shah	Chairman Managing Director Executive Director Director Director
BANKERS	:	Bank of Baroda GIDC Industrial Estate, Ankleshwar – 393 002.	
AUDITORS	:	M/s. Sunderji Gosar & Co., Chartered Accountants, Mumbai.	
COST AUDITOR	:	M/s. V. H. Savaliya & Associates, Cost Accountants, Ahmedabad.	
COMPANY LAW CONSULTANTS	:	M/s. Mehta Hurkat & Associates, Company Secretaries, Ahmedabad.	
REGISTERED OFFICE & FACTORY	:	Village: Govali, Bharuch – Jhagadia Road, Tal: Jhagadia Dist: Bharuch Gujarat – 392 022	
REGISTRAR & SHARE TRANSFER AGENT	:	M/s. Sharex Dynamic (India) Pvt. Ltd. Unit-1, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (E), Mumbai - 400 072. e-mail : sharexindia@vsnl.com	

Dear Members,

As you know, the Ministry of Corporate Affairs has undertaken a 'Green Initiative in Corporate Governance' by allowing paperless compliances by companies through electronic mode, vide its Circular Nos. 17/2011 & 18/2011 dated 21st April, 2011 and 29th April, 2011, respectively.

Your Company proposes to deliver electronically various communication/documents such as Notice of General Meeting, Annual Reports, Postal Ballot documents and such other necessary communication/documents from time to time to the Members, who have provided their email address to their Depository Participant (DP). Members holding shares in physical form and who are desirous of receiving the communication/documents in electronic form, are required to inform their email address to the Registrar and Transfer Agent of the Company.

Email addresses as registered in your respective DP accounts in the records of the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) which will be periodically downloaded, will be deemed to be your registered email address for serving the necessary communication/documents. Thus, the necessary communication would be sent in electronic form to the registered email address. Members, who wish to inform any updations/changes of their email address, are requested to promptly update the same with their DP/the Registrar and Transfer Agent of the Company, as the case may be, from time to time.

As a member of the Company, you will be furnished, free of cost, a printed copy of the Annual Report of the Company, upon receipt of the requisition from you.

We request you to support this initiative and opt for the electronic mode of communication by submitting your email address to your DP or to the Company, as the case may be, in the interest of the environment.



Save Environment Save U'r self

GO GREEN !

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Shree Rajeshwaranand Paper Mills Limited

NOTICE

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

Date : 10th September, 2011
Day : Saturday
Time : 1.00 p.m.
Place : At the Registered Office of the Company at:
Village: Govali,
Bharuch – Jhagadia Road,
Tal: Jhagadia, Dist: Bharuch
Gujarat – 392 022

to transact the following business:

ORDINARY BUSINESS:

1. To receive and adopt Audited Profit and Loss Account for the year ended 31st March, 2011 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. Ashok Kumar V. Shah 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 pursuant to the provisions of sections 198, 269, 309, 314 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Mr. Udayan D. Velvan be and is hereby appointed as Executive Director of the Company, not liable to retire by rotation, for a period of 5 years with effect from 1st October, 2010 to 30th September, 2015 on the terms and conditions and the remuneration mentioned hereunder (which have been approved by Remuneration Committee) and that he be paid remuneration by way of Salary, perquisites and Commission not exceeding the amount thereof as set out in the Agreement which is permissible under Section II of Part II of Schedule XIII of the Companies Act, 1956."
"RESOLVED FURTHER THAT the following are the important terms and conditions with respect to appointment:

I. PERIOD: For a period of 5 years from 1st October, 2010 to 30th September, 2015.

II. REMUNERATION:

A. SALARY:

The Executive Director shall be entitled to salary during his tenure as under:

- From 1st October, 2010 to 30th September, 2011: ₹ 50,000/- per month
- From 1st October, 2011 to 30th September, 2013: ₹ 1,00,000/- per month
- From 1st October, 2013 to 30th September, 2015: ₹ 1,25,000/- per month

B. PERQUISITES:

- 1) Contribution to provident fund, Superannuation fund and Annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- 2) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- 3) Encashment of leave at the end of the tenure.

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- 4) Reimbursement of medical expenses as applicable to other senior executive of the Company.
 - 5) Free use of Company's car for Company's business and free telephone facility at residence.
 - 6) Leave travel concession for himself and family once in a year in accordance with rules Specified by the Company.
- III. The Executive Director shall not, so long as he functions as such, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government.
 - IV. DUTIES: Subject to the Superintendence, direction and control of the Board of Directors of the Company, the Executive Director shall be entrusted with substantial powers of management and also such other duties and responsibilities as may be entrusted to him by the Board of Directors from time to time.
 - V. TERMINATION: The Executive Director may be removed from his office for gross negligence, breach of duty or trust if a Special Resolution to that effect is passed by the Company in its General Meeting. The Executive Director may resign from his office by giving 90 days' notice to the Company.
 - VI. COMPENSATION: In the event of termination of office of Executive Director takes place before the expiration of tenure thereof, Executive Director Shall be entitled to receive compensation from the Company for loss of office to the extent and subject to limitation as provided under section 318 of the Companies Act, 1956."
- "RESOLVED FURTHER THAT the Company do execute an agreement with Mr. Udayan D. Velvan and Common Seal of the Company be affixed thereon in the presence of any Director of the Company."
6. To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of sections 198, 269, 309, 314 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Mr. Prakash R. Vora be and is hereby appointed as Managing Director of the Company, not liable to retire by rotation, for a period of 5 years with effect from 1st October, 2010 to 30th September, 2015 on the terms and conditions and the remuneration mentioned hereunder (which have been approved by Remuneration Committee) and that he be paid remuneration by way of Salary, perquisites and Commission not exceeding the amount thereof as set out in the Agreement which is permissible under Section II of Part II of Schedule XIII of the Companies Act, 1956."

"RESOLVED FURTHER THAT the following are the important terms and conditions with respect to appointment:

 - I. PERIOD: For a period of 5 years from 1st October, 2010 to 30th September, 2015.
 - II. REMUNERATION:
 - A. SALARY:

The Managing Director shall be entitled to salary during his tenure as under:

 - From 1st October, 2010 to 30th September, 2011: ₹ 50,000/- per month
 - From 1st October, 2011 to 30th September, 2013: ₹ 1,00,000/- per month
 - From 1st October, 2013 to 30th September, 2015: ₹ 1,25,000/- per month
 - B. PERQUISITES:
 - 1) Contribution to provident fund, Superannuation fund and Annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - 2) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
 - 3) Encashment of leave at the end of the tenure.
 - 4) Reimbursement of medical expenses as applicable to other senior executive of the Company.
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Shree Rajeshwaranand Paper Mills Limited

- 5) Free use of Company's car for Company's business and free telephone facility at residence.
 - 6) Leave travel concession for himself and family once in a year in accordance with rules Specified by the Company.
- III. The Managing Director shall not, so long as he functions as such, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government.
- IV. DUTIES:
- Subject to the Superintendence, direction and control of the Board of Directors of the Company, the Managing Director shall be entrusted with substantial powers of management and also such other duties and responsibilities as may be entrusted to him by the Board of Directors from time to time.
- V. TERMINATION:
- The Managing Director may be removed from his office for gross negligence, breach of duty or trust if a Special Resolution to that effect is passed by the Company in its General Meeting. The Managing Director may resign from his office by giving 90 days' notice to the Company.
- VI. COMPENSATION:
- In the event of termination of office of Managing Director takes place before the expiration of tenure thereof, Managing Director shall be entitled to receive compensation from the Company for loss of office to the extent and subject to limitation as provided under section 318 of the Companies Act, 1956.
- "RESOLVED FURTHER THAT the Company do execute an agreement with Mr. Prakash R. Vora and Common Seal of the Company be affixed thereon in the presence of any Director of the Company."
7. To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:
- "RESOLVED THAT pursuant to Section 149 (2A) of the Companies Act, 1956 and any other applicable provisions if any, consent of the members of the Company be and is hereby accorded to commence other objects as mentioned under Object No. 50, 51 & 67 of sub clause C under the main clause III of the Memorandum of Association of the Company:
- (50) To carry on the Business as merchants, manufacturing, traders, commission agents, buying agents, selling agents, brokers, adatias, buyers, sellers, importers, exporters, dealer in, collectors of and to import, export, buy, sell, barter, exchange, pledge, mortgage, advance upon or otherwise trade and deal in commodities, including purchase, sell of import entitlements, crops, minerals, raw materials, semi and manufacture products, goods and ware houses, plant, machinery, tools and equipments, all types of fabrics made from natural or artificial fibres, garments, apparel goods and beverages, canned provisions, raw cotton raw jute and jute, raw wool and wool, raw silk and silk, textile made out of natural and artificial fibres, handloom, textiles, cottage industries ware, cotton waste, tea, minerals, and ores, ferrous and non ferrous metals, metal, coffee, tobacco, species, shoes and leather wear, timber automobiles and trucks diesel engines, pumps, agricultural implements, electric motors, transformers, switchgears and accessories, electronic components, piezo electronic elements, ferrites, magnets, building hardware, furniture, electrical appliances, any type of computer, accounting machines, photo copy machines, teleprinter and studio equipment and anything attached to any of them, paper and papers products, all types of machine tools, dies, chemicals, colour prints, varnishes, books and stationery items, glass ware, pottery, tableware, building materials, scientific instruments, bicycles, auto-scooters, automobile and truck spare parts, synthetic products, handicrafts, rubber tyres, cords, tubes, typewriters, refrigerators, office steel furniture, equipment and appliances and to deal in any type of land, building or flat, block, apartment, bungalow, industrial gala, silver, precious stones, platinum, diamond or any type of the combination in jewellery of all types and description to all parts of the world.
- (51) To carry on in India or elsewhere the business of manufacture of and dealer in plastic goods and plastic materials of all kinds, synthetic plastic, powders and plastic, oil, cellulose and rubber coat sheet, materials, of all kinds, and description and manufacture of hollow plastic and packing material and for that purpose to establish and maintain factories, plants, machineries, tools and implements.

(67) To carry on the business of civil engineers, mechanical engineers, structural engineers, automobile engineers, electrical engineers, agricultural engineers, aeronautical engineers, aviation engineers, chemical engineers, and engineers in all branches of work whatsoever know to engineers, steel makers fabricators, iron founders, welders, tool makers, brass, tin, copper, aluminium and other metal founders, sheet metal workers, boiler makers, mill-wrights, machinists. Iron and steel converters, smiths, steelmakers, wire-fitters, saddlers, galvanisers, enamellers, electroplaters, jappanners, annealers, silverplaters, nickle platers, varnishers, vulcanisers, packing case makers, containers, drums, pressure vessels in all their respective branches, enamellers, smelters, and to buy, sell, export, import, manufacture, maintain, repair, convert, alter, let on load or hire and deal in explosives, ammunition, water proofers, plasters, metal, plant and equipment, machinery of all kinds, tools appliances instruments, implements, rolling stock, mechanical, electrical scientific appliances, devices, apparatus travelling agents.”

Registered Office:

Village: Govali,
Bharuch – Jhagadia Road,
Tal: Jhagadia, Dist: Bharuch
Gujarat – 392 022
Date: 30th May, 2011.

By Order of the Board,

Prakash R. Vora
Managing Director

NOTES:

1. The relevant Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business at Item No. 4 to 7 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 Monday, the 5th September, 2011 to Saturday, the 10th September, 2011 (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 7 of the accompanying notice dated 30th May, 2011 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 1st October, 2010 appointed Mr. Ashok Kumar 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.

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. Ashok Kumar V. Shah is a Chartered Accountant having experience of 30 years in the fields of Finance, Taxation, Audit and MIS. The Board is of the opinion that his induction as Director of the Company would benefit the Company.

Mr. Ashok Kumar 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. 5:

The Board of Directors of the Company in their meeting held on 1st October, 2010 elevated Mr. Udayan D. Velvan as Executive Director of the Company for a period of five years i.e. from 1st October, 2010 to 30th September, 2015.

The major common terms and conditions of his appointment are as under:

I. PERIOD:

For a period of 5 years from 1st October, 2010 to 30th September, 2015.

II. REMUNERATION:

A. SALARY:

The Executive Director shall be entitled to salary during his tenure as under:

- From 1st October, 2010 to 30th September, 2011: ₹ 50,000/- per month
- From 1st October, 2011 to 30th September, 2013: ₹ 1,00,000/- per month
- From 1st October, 2013 to 30th September, 2015: ₹ 1,25,000/- per month

B. PERQUISITES:

- 1) Contribution to provident fund, Superannuation fund and Annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- 2) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- 3) Encashment of leave at the end of the tenure.
- 4) Reimbursement of medical expenses as applicable to other senior executive of the Company.
- 5) Free use of Company's car for Company's business and free telephone facility at residence.
- 6) Leave travel concession for himself and family once in a year in accordance with rules Specified by the Company.

III. The Executive Director shall not, so long as he functions as such, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government.

IV. DUTIES:

Subject to the Superintendence, direction and control of the Board of Directors of the Company, the Executive Director shall be entrusted with substantial powers of management and also such other duties and responsibilities as may be entrusted to him by the Board of Directors from time to time.

V. TERMINATION:

The Executive Director may be removed from his office for gross negligence, breach of duty or trust if a Special Resolution to that effect is passed by the Company in its General Meeting. The Executive Director may resign from his office by giving 90 days' notice to the Company.

VI. COMPENSATION:

In the event of termination of office of Executive Director takes place before the expiration of tenure thereof, Executive Director Shall be entitled to receive compensation from the Company for loss of office to the extent and subject to limitation as provided under section 318 of the Companies Act, 1956."

Mr. Udayan D. Velvan is concerned or interested in the said business, since it relates to his appointment as Executive 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 1st October, 2010 reappointed Mr. Prakash R. Vora as Managing Director of the Company for a period of five years i.e. from 1st October, 2010 to 30th September, 2015

The major common terms and conditions of his appointment are as under:

I. PERIOD:

For a period of 5 years from 1st October, 2010 to 30th September, 2015.

II. REMUNERATION:

A. SALARY:

The Managing Director shall be entitled to salary during his tenure as under:

- From 1st October, 2010 to 30th September, 2011: ₹ 50,000/- per month
- From 1st October, 2011 to 30th September, 2013: ₹ 1,00,000/- per month
- From 1st October, 2013 to 30th September, 2015: ₹ 1,25,000/- per month

B. PERQUISITES:

- 1) Contribution to provident fund, Superannuation fund and Annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- 2) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- 3) Encashment of leave at the end of the tenure.
- 4) Reimbursement of medical expenses as applicable to other senior executive of the Company.
- 5) Free use of Company's car for Company's business and free telephone facility at residence.
- 6) Leave travel concession for himself and family once in a year in accordance with rules Specified by the Company.

Shree Rajeshwaranand Paper Mills Limited

III. The Managing Director shall not, so long as he functions as such, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government.

IV. DUTIES:

Subject to the Superintendence, direction and control of the Board of Directors of the Company, the Managing Director shall be entrusted with substantial powers of management and also such other duties and responsibilities as may be entrusted to him by the Board of Directors from time to time.

V. TERMINATION:

The Managing Director may be removed from his office for gross negligence, breach of duty or trust if a Special Resolution to that effect is passed by the Company in its General Meeting. The Managing Director may resign from his office by giving 90 days' notice to the Company.

VI. COMPENSATION:

In the event of termination of office of Managing Director takes place before the expiration of tenure thereof, Managing Director shall be entitled to receive compensation from the Company for loss of office to the extent and subject to limitation as provided under section 318 of the Companies Act, 1956.

Mr. Prakash R. Vora is concerned or interested in the said business, since it relates to his appointment as Managing 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 Company presently carries on the business as manufacturers and dealers in news papers and writing papers. For the past some time, the Board of Directors of the Company has been considering proposals for diversifying the activities of the Company. Section 149(2A) of the Companies Act, 1956, requires that the members of the Company should approve, by special resolution, of the commencement of any new business by the Company included in the other objects of the Company in its Memorandum of Association as on that date. The business which the members are being requested to approve for commencement are within the scope of the sub clause C i.e. Other Objects No. 50, 51 & 67 of clause III of the Memorandum of Association of the Company.

In view of better future as merchants, manufacturers, traders, agents, dealers, all types of engineering works, tool makers, silverplaters, machinery of all kinds, tools appliances instruments, and metal business, plastic goods and plastic materials etc. the Board is actively thinking of diversifying the activities of the Company. The Board feels that the proposed activities of the Company will prove to be useful and beneficial to the Company and therefore commends the Special Resolution proposed for the Members acceptance.

The Board is hopeful that the proposed business can be combined conveniently and advantageously with the existing business of the Company under the existing circumstances.

Memorandum of Association of the Company and other relevant papers are open for inspection at the Registered Office of the Company during the normal business hours on any working day.

None of the Directors of the Company is concerned or interested in any way in the Special Resolution

Registered Office:

Village: Govali,
Bharuch – Jhagadia Road,
Tal: Jhagadia, Dist: Bharuch
Gujarat – 392 022
Date: 30th May, 2011.

By Order of the Board,

Prakash R. Vora
Managing Director