



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



SHREYANS INDUSTRIES LIMITED



SHREYANS INDUSTRIES LIMITED

BOARD OF DIRECTORS

- SH. D.K. OSWAL, *Chairman-Cum-Managing Director*
 SH. RAJNEESH OSWAL, *Vice-Chairman*
 SH. DEEPAK AGGARWAL, *Nominee of ICICI*
 SH. K.K. MODGIL, *Nominee of UTI*
 SH. R.M. MEHTA
 SH. K.L. DALAL
 DR. S.R. MOHNOT
 DR. (MRS.) H.K. BAL
 SH. ANIL KUMAR, *Executive Director*

BANKERS :

- | | |
|--------------------------|------------------|
| 1. STATE BANK OF PATIALA | 2. INDIAN BANK |
| 3. PUNJAB NATIONAL BANK | 4. BANK OF INDIA |

STATUTORY AUDITORS :

M/S. S.C. VASUDEVA & COMPANY, NEW DELHI

REGISTERED & CORPORATE OFFICE

VILLAGE - BHOLAPUR. P.O. SAHABANA
 CHANDIGARH ROAD, LUDHIANA-141123. (PUNJAB)

WORKS

1. SHREYANS PAPERS, AHMEDGARH, DISTT. SANGRUR (PB.)
2. SHREE RISHABH PAPERS, VILLAGE BANAH, DISTT. NAWANSHAHAR (PB.)
3. SHREYANS SPINNING MILLS, VILLAGE IRAQ, MACHHIWARA, DISTT. LUDHIANA. (PB.)

BRANCHES

1. 4-J & E, GOPALA TOWER, 25, RAJENDRA PLACE, NEW DELHI.
2. 302, RAHEJA CHAMBERS, NARIMAN POINT, MUMBAI.
3. 306, KALYAN CHAMBERS, NAWA DARWAJA ROAD, KHADIA CHAR RASTA, AHMEDABAD.
4. S.C.O. 2441-42, SECTOR 22-C, CHANDIGARH.
5. 53/8, KANCHAN BAGH, INDORE.
6. 17, ITWARA ROAD, BHOPAL.
7. 596, ACHARYA KRIPLANI MARG, ADARSH NAGAR, JAIPUR.

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SHREYANS INDUSTRIES LIMITED

NOTICE

NOTICE is hereby given that the Eighteenth Annual General Meeting of the members of the company will be held on Wednesday the 30th day of September, 1998 at 2.30 P.M. at the Registered Office of the Company at Village Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana to transact the following business.

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1998 and Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To Declare Dividend.
3. To appoint a Director in place of Sh. Rajneesh Oswal who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Sh. R.M. Mehta who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Proxies must be lodged at the Registered office of the Company not later than 48 hours before the commencement of the meeting.

2. The Register of Members and share Transfer Books of the company shall remain closed from 23rd September, 1998 to 26th September, 1998 (Both days inclusive).
 3. Members are requested to bring thier copy of Annual Report to the Meeting.
 4. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their question in writing to the Secretary of the Company, so as to reach the Registered Office of the Company at least 10 Days before the date of the Meeting so that information required may be made available at the time of the Meeting.
 5. If dividend as recommended by the Board is approved at the Meeting, payment will be made to those holder(s) of equity shares whose name(s) appear on the Company's Register of Members as on 26th Septmebr, 1998.
 6. Members are requested to :
 - Intimate to the Company changes, if any, in their registered address at an early date.
 - Quote ledger folio number in all their corrspondence with the company.
 - Note that the meeting is for members or their proxies only. Please avoid being accompanied by non members and children.
 7. As required by the Companies Unpaid Dividend (Transfer to General Revenue Account of Central Government) Rules, 1975 as amended, all unclaimed dividends for and upto the financial year ended 31st March, 1994 have been transferred to the General Revenue Account of the Central Government and the concerned shareholders have already been informed separately. Such shareholders who have not encashed the dividend warrants for the said period are requested to claim the amount from the Registrar of Companies, Punjab, H.P. & Chandigarh at 286, Defence Colony, Jalandhar City.
- Shareholders/Proxy holders are requested to produce at the entrance, the attached admission slip duly completed and signed, for admission to the Meeting Hall.

BY ORDER OF THE BOARD
for SHREYANS INDUSTRIES LIMITED

(ANIL KUMAR)
Executive Director

Place : LUDHIANA
Date : 28th July, 1998



SHREYANS INDUSTRIES LIMITED

DIRECTORS' REPORT

Dear Members

Your Directors have pleasure in presenting the 18th Annual Report on the business and operations of the Company alongwith audited statements of accounts for the year ended 31st March 1998.

Financial Results

(Rs. in Lacs)

	1997-98	1996-97
Gross Sales	15000.45	15057.79
Profit before interest & depreciation	2016.10	2539.43
Less : Interest	1219.67	1555.04
Gross Profit	796.43	984.39
Depreciation	519.20	500.11
Net profit before tax	277.23	484.28
Provision for taxation	33.26	69.35
Net profit after tax	243.97	414.93

Performance Review

During the year the gross turnover of the Company was maintained at Rs. 15000.45 lacs, almost at the level of the earlier year of Rs. 15057.79 lacs. However, other income increased to Rs. 244.03 lacs as compared to Rs. 83.84 lacs and total revenues of the Company increased to Rs. 15244.48 lacs as compared to Rs. 15141.63 lacs. The operating profits before interest and depreciation decreased to Rs. 2016.10 lacs as compared to Rs. 2539.43 lacs. The net profit after tax declined to Rs. 243.97 lacs against Rs. 414.93 lacs of last year.

Paper industry continued to be plagued by the recessionary conditions in the market resulting in significant decline in the sale prices of paper. The hopes of revival of the industry were belied because of continued cheap imports into the country. Writing and Printing paper still keeps coming in the garb of newsprint attracting either marginal or nil custom duty. Economic crisis in South Eastern Asian countries played havoc with prices of paper worldwide and domestic prices in our country were also affected. The turnover of paper in terms of value decreased marginally despite almost 14% increase in quantitative terms. This resulted in sharp erosion in the margins in both the paper units of the Company.

Operations of the Spinning Division were also affected adversely because of very poor cotton crop during 1997-98 cotton season due to adverse weather conditions. While on one hand the quality of cotton declined, on the other hand there was a sharp increase in the prices of cotton, because of poor availability. The international prices of cotton yarn also remained low because of across the board devaluation of South Eastern Asian currencies. The prices of yarn in domestic market also failed to keep up with the increase in cotton prices. It was only because of stringent cost control measures and also better operational efficiencies that your Company was able to generate profits despite such adverse market conditions.

SHREYANS PAPERS, AHMEDGARH

As reported in the last year's report Infrared Drying System was commissioned during the year under review. This helped us in speeding up the paper machine which resulted in increase in production to 24924 MTs as compared to 22329 MTs of last year. Both Chemical Recovery Plant and Co-generation Plant continued to operate at optimum levels.

SHREE RISHABH PAPERS, BANAH

Work on expansion-cum-modernisation scheme has been considerably slowed down because of depressed market conditions in the paper industry. However, your Company has taken up implementation of Chemical Recovery Plant at this unit also so as to ensure that outgoing emissions meet the specified standards. Chemical Recovery Plant is expected to be commissioned during the current year.

SHREYANS SPINNING MILLS, MACHHIWARA

Production of Spinning Division increased from 4073 MTs to 4139 MTs of during the year. Steps were taken during the year to diversify the product mix by including polyester cotton also in the product range. Initial response from the market has been encouraging.

FUTURE PLANS

Your Directors would like to consolidate the existing operations of the Company during the current year so that adverse impact of recessionary conditions in the market can be minimised. Steps are being taken allround to have



SHREYANS INDUSTRIES LIMITED

better control on cost and operating parameters so as to obtain better profitability in the current year.

The product diversification at the Spinning Division is being continued and efforts are on to include Acrylic yarn also in the product range.

As mentioned above the Chemical Recovery Plant at Shree Rishabh Papers Banah is slated to be commissioned during the current year.

Dividend

Despite significant fall in the profitability of the Company, your Directors, keeping in view the interest of the shareholders, are pleased to recommend Dividend@10% on the equity capital for your approval at the forthcoming Annual General Meeting to be held on 30th September, 1998.

Deposits

Five deposits amounting to Rs. 52000/- were due for repayment till 31st March, 1998, but neither claimed nor renewed by the depositors till then. One deposit of Rs. 15000/- has been repaid since then. Company is awaiting instructions from the depositors regarding balance deposits.

Directors

Shri R.M. Mehta and Shri Rajneesh Oswal Directors of the Company retire by rotation at the forthcoming Annual General Meeting under Article 113 of the Articles of Association of the Company, and being eligible, offer themselves for reappointment.

Auditors

M/s S.C. Vasudeva & Company, New Delhi, Auditors of the Company shall retire at the forthcoming Annual General Meeting and are eligible for reappointment.

Auditor's Report

The Auditor's Report on the Accounts read with Notes on Accounts is self-explanatory and no comments are required.

Industrial Relations

The industrial relations in all the units of the Company remained cordial throughout the year under review.

Personnel

A statement of particulars of employees pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 is annexed and forms part of this report.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

As required under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, the particulars relating to conservation of energy, technology, absorption and foreign exchange earnings and outgo forming part of the Report are also annexed.

Acknowledgements

Your Directors wish to place on record their thanks and appreciation for the valuable support and co-operation of the various agencies and departments of the central and state governments, financial institutions, banks, customers, suppliers, other business associates and investors.

Your Directors also acknowledge the dedicated efforts of the employees at all levels and wish to record the contributions with a sense of great pride. Directors also record their sincere thanks to the investors for reposing their continued confidence in the Company, which had always been a source of strength for the Company.

For and on behalf of the Board

Place : Ludhiana
Date : 30th June, 1998

(D.K. OSWAL)
CHAIRMAN-CUM-MANAGING DIRECTOR



SHREYANS INDUSTRIES LIMITED

DISCLOSURE OF PARTICULARS UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS), RULES 1988

CONSERVATION OF ENERGY

The Company has always been doing best efforts in bringing down the cost of energy through energy conservation. Continuous improvement in specific energy conservation is a result of these efforts.

FORM A

FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

		Current Year	Previous Year
(A) POWER AND FUEL CONSUMPTION			
1. ELECTRICITY			
PAPER			
a)	Purchased Power	KWH 417.69 Lac	392.55 Lac
	Total Amount	Rs. 1088.65 Lac	922.64 Lac
	Rate/KWH	2.61	2.38
b)	Own Generation		
	Through Turbo Generator	KWH 74.82 Lac	33.41 Lac
	Through Diesel Generator	KWH 6.33 Lac	11.81 Lac
	KWH/Ltr. of Diesel	3.24	3.00
	Fuel Cost/KWH (for D.G. Sets only)	Rs. 2.76	2.59
COTTON YARN			
a)	Purchased Power	KWH 120.24 Lac	119.70 Lac
	Total Amount	Rs. 322.02 Lac	284.90 Lac
	Rate/KWH	2.68	2.38
b)	Own Generation		
	Through Diesel Generator	KWH 7.23 Lac	9.17 Lac
	KWH/Ltr. of Diesel	2.14	3.35
	Fuel Cost/KWH	Rs. 2.82	2.40
2. COAL			
PAPER			
	Quantity	MT 331	900
	Total Amount	Rs. 8.87 Lac	19.00 Lac
	Avg. Rate/MT	Rs. 2680	2112
3. RICE HUSK			
PAPER			
	Quantity	MT 77134	76082
	Total Amount	Rs. 945.31 Lac	820.20 Lac
	Avg. Rate/MT	Rs. 1226	1078
(B) CONSUMPTION PER UNIT OF PRODUCTION			
PAPER *			
	Electricity (KWH/MT)	1237	1173
	Coal (MT/MT)	0.008	0.024
	Rice Husk	1.913	2.038



SHREYANS INDUSTRIES LIMITED

COTTON YARN

Electricity (KWH/MT)

3079

3164

* Includes consumption of power & fuel in Chemical Recovery Plant.

FORM B

RESEARCH AND DEVELOPMENT (R&D)

Research & Development is well equipped to carry out investigation and experiments to improve the quality and to determine the suitability of various raw material and chemicals. It is manned by highly qualified and experienced personnel. A major break through was achieved to use black liquor from wheat straw in fluidised bed reactor first time in the world by reducing chloride contents in wheat straw.

EXPENDITURE ON R & D PAPER

a) Capital	Rs.	1.09 Lac	---
b) Recurring	Rs.	13.43 Lac	5.30 Lac
c) Total	Rs.	14.52 Lac	5.30 Lac

COTTON YARN

a) Capital	Rs.	---	---
b) Recurring	Rs.	4.92 Lac	4.37 Lac
c) Total	Rs.	4.92 Lac	4.37 Lac

(C) TECHNOLOGY ABSORPTION

Your Company has always leading medium sized agro based integrated paper mill by adopting latest technology like automation process control on paper machine, double activated sludge process in effluent treatment plant, nonconventional fluidised bed reactor for chemical recovery, infrared for uniform drying of paper and to increase paper drying capacity and wet cleaning system to reduce chloride content in raw materials and is always ready to adopt latest technology to improve the quality and to reduce the cost of production.

(D) FOREIGN EXCHANGE EARNING AND OUTGO

Foreign Exchange earning	Rs.	1507.93 Lac	2415.27 Lac
Less : Foreign Exchange Outgo	Rs.	373.13 Lac	385.03 Lac
Net Foreign Exchange earning	Rs.	1134.80 Lac	2030.24 Lac



SHREYANS INDUSTRIES LIMITED

ANNEXURE TO DIRECTORS' REPORT

INFORMATION AS PER SECTION 217(2A)(B)(II) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED 31.03.1998.

Sr. No.	Name	Designation	Gross Emoluments	Nature of Duties	Qualification	Experience Years	Date of Employment	Age Years	Last Employment
1.	Sh. D.K. Oswal	Chairman-Cum-Managing Director	1166038	Administrative	Graduate	36	26.09.87	57	Managing Director, Vardhman Spinning & General Mills Ltd.
2.	Sh. Anil Kumar	Executive Director	649128	Administrative	B.Sc. (Engg.) M.B.A.	25	01.04.83	48	Manager Finance Vardhman Spinning & General Mills Ltd.
3.	Sh. B.D. Sharma	Chief Executive	570253	Administration Production & Technical Supervision	B.Sc. (Engg.)	29	10.05.80	53	Plant Engineer Ballarpur Inds. Ltd.
4.	Sh. S.K. Sharma	Sr. Vice President (Technical)	585638	Production & Technical Supervision	B.Sc. PG Dip. in Pulp & paper Tech.	26	20.11.84	47	Paper Maker Rohit Pulp & Paper Mills Ltd.
5.	Sh. K.B.L. Malhotra	Vice President (Admn.)	503329	Industrial Relations	M.A. in Economics & Social Work, PG Dip. in Indl. Mgmt. M.B.A.	32	14.10.92	62	Factory Manager Vinod Paper Mills Ltd.
6.	Sh. S.K. Sekhri	Gen. Manager	359774	Administrative	C.A.	30	07.12.94	52	Vice President (Finance) Indian Tech. Grants Ltd.
7.	Sh. V.K. Jethi	Gen. Manager	365923	Production & Technical Supervision	B.Sc.	30	03.04.95	52	Dy. Manager (Production) Ballarpur Inds. Ltd.

NOTES :

- 1) Remuneration includes Salary, House Rent Allowance, Leave Salary, Ex-gratia, Leave Travel Concession, Company's Contribution to Provident Fund, Superannuation and other allowance paid in cash and taxable value of non-cash perquisites.
- 2) Nature of employment of these employees in non-contractual except in case of Sh. D.K. Oswal & Sh. Anil Kumar.



SHREYANS INDUSTRIES LIMITED

AUDITORS' REPORT

To

The Shareholders,

SHREYANS INDUSTRIES LIMITED

We have audited the attached Balance Sheet of Shreyans Industries Limited as at 31st March, 1998 and Profit and Loss Account for the year ended on that date annexed thereto 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 and on the basis of such checks of the books and records of the company, as we considered appropriate, 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 annexure referred to in paragraph (1) above :

*a) We have obtained all the information and explanations which to the best of our knowledge & belief were necessary for the purpose of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.

c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.

d) In our opinion and to best of our information and according to the explanations given to us, the said accounts, subject to :

i) Note No. 2 regarding the capitalisation of future interest on account of which depreciation for the year is higher by Rs. 2.22 lacs.

ii) Note No. 6 regarding charge for depreciation on Spinning Plant as continuous process plant.

iii) Note No. 11 regarding non provision of interest amounting to Rs. 7.74 lacs.

iv) Non-Provision of liability for leave encashment benefit on retirement, the amount thereof is not ascertainable.

and the consequent effect on Profits, Assets, Reserves and Liabilities, read together with other Notes on Accounts give the information required by the Companies Act, 1956 in the manner so required and give a true & fair view :

i) In the case of Balance Sheet, of the State of Affairs of the Company as at 31st March, 1998 and

ii) In the case of Profit and Loss Account of the Profit of the Company for the year ended on that date.

For S.C. VASUDEVA & CO.,
Chartered Accountants

(SANJIV MOHAN)
Partner

Place : LUDHIANA
DATED : 30th June, 1998