

27th ANNUAL REPORT

2007

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Group

Shreyans Industries Limited

You will forever be a source of inspiration



1940 - 2007

The great foresight and vision of our respected Shri D.K. Oswal, Late Chairman and managing director of the Shreyans Group has placed the company where it stands today. Under superb guidance of Mr. Oswal, Shreyans is a leading agro based paper manufacturer in the country.

Shri D.K. Oswal who had managed the company since 1987, believed and advocated his high principles in service to the company. We pay respectful homage to our late chairman, and commit ourselves with sincerity to follow in his footsteps. We solemnly promise to carry forward the legacy of this visionary

Management and Staff.

Shreyans Industries Limited.

BOARD OF DIRECTORS

SH. RAJNEESH OSWAL, Chairman and Managing Director
 SH. VISHAL OSWAL, Vice Chairman and Managing Director
 SH. KUNAL OSWAL,
 SH. A.K CHAKRABORTY NOMINEE OF ICICI BANK LTD.
 DR. (MRS.) H.K. BAL
 SH. R. C. SINGAL
 SH. M.L. GUPTA
 DR. N. J. RAO
 SH. ANIL KUMAR, Executive Director and C.E.O

COMPANY SECRETARY

MR. VIPIN KUMAR BHATIA

BANKERS

STATE BANK OF PATIALA
 BANK OF INDIA
 STATE BANK OF MAURITIUS

STATUTORY AUDITORS

M/s. S.C. VASUDEVA & CO., NEW DELHI

REGISTRAR & TRANSFER AGENTS

M/s. SKYLINE FINANCIAL SERVICES (P) LIMITED
 123, VINOBA PURI, LAJPAT NAGAR,
 NEW DELHI - 1100024

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.)

BRANCHES

1. 4-J & E, GOPALA TOWER,
25, RAJENDRA PLACE, NEW DELHI.
2. 302, RAHEJA CHAMBERS,
NARIMAN POINT, MUMBAI.

CONTENTS

NOTICE.....	6
DIRECTOR'S REPORT.....	15
REPORT ON CORPORATE GOVERNANCE	19
AUDITOR'S REPORT.....	26
BALANCE SHEET.....	29
PROFIT & LOSS ACCOUNT.....	30
CASH FLOW STATEMENT.....	31
SCHEDULES TO ACCOUNTS.....	32
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS.....	40

27th Annual Report

SHREYANS INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the 27th Annual General Meeting of the members of the Company will be held on Wednesday, the 4th day of July, 2007 at 4.00 P.M. at the Registered Office of the Company at Vill. 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, 2007 and Profit and Loss Account for the year ended on that date together with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sh. R.C.Singal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Dr. (Mrs) H.K.Bal, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

AS SPECIAL BUSINESS

5. TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), IF ANY, THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION :

"RESOLVED THAT Sh. Kunal Oswal, in respect of whom the company has received a notice in writing from a member of the company under section 257 of the Companies Act, 1956, proposing his candidature as a director of the company, 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(S) THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION.

"RESOLVED THAT pursuant to the provisions of Section 198, 269,309,310 and 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and Rules made there under, including any statutory modification or re-enactment thereof and subject to such approvals as may be necessary, and in super session of the special resolution passed at the Annual General Meeting held on 30th June, 2006, consent of the Company be and is hereby accorded to the re-appointment of Sh. Rajneesh Oswal, as the Chairman & Managing Director of the Company for a period of three years with effect from 1st August, 2007 on the remuneration, terms and conditions as set out in the agreement, to be entered into between the Company and Sh. Rajneesh Oswal, draft of which is submitted to this meeting and the same is hereby specifically approved."

"RESOLVED FURTHER THAT Board of Directors be and is hereby authorised to alter or increase vary the terms and conditions of the said remuneration and/ or agreement in such form and manner or with such modifications as the Board may deem fit and as may be acceptable to Sh. Rajneesh Oswal without referring the same to the General Meeting again, subject to comments/ approvals, if any, required in this regard."

"RESOLVED FURTHER THAT where in any Financial Year, the Company has no profits or its profits are inadequate during the tenure of office of Sh. Rajneesh Oswal, the remuneration aforesaid shall be paid as the minimum remuneration."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and to execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolutions."

7. TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION.

"RESOLVED THAT pursuant to the provisions of Section 198, 269,309,310 and 314 read with Schedule XIII and other

applicable provisions, if any, of the Companies Act, 1956, including any statutory modification or re-enactment thereof and subject to such approvals as may be necessary, consent of the Company be and is hereby accorded to the re-appointment of Sh. Vishal Oswal, as the Vice Chairman & Managing Director of the Company for a period of three years with effect from 1st August, 2007 on the remuneration, terms and conditions as set out in the agreement, to be entered into between the Company and Sh. Vishal Oswal, draft of which is submitted to this meeting and the same is hereby specifically approved."

"RESOLVED FURTHER THAT Board of Directors be and is hereby authorised to alter, or increase and vary the terms and conditions of the said re-appointment and/ or agreement in such form and manner or with such modifications as the Board may deem fit and as may be acceptable to Sh. Vishal Oswal without referring the same to the General Meeting again, subject to comments/ approvals, if any, required in this regard."

"RESOLVED FURTHER THAT where in any Financial Year, the Company has no profits or its profits are inadequate during the tenure of office of Sh. Vishal Oswal, the remuneration aforesaid shall be the minimum remuneration."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and to execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolutions."

8. TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION.

"RESOLVED THAT in terms of Section 81(1-A) and other applicable provision, if any, of the companies Act, 1956 (including any statutory modification) (s) or re-enactment thereof, for the time being in force and in accordance with the provisions of Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the Stock Exchange and the Regulations /Guidelines /Clarifications, if any prescribed/ issued by the Securities and Exchange Board of India (SEBI), and all other applicable laws and regulations and subject to the Company obtaining all approvals, consents, permission and sanctions as may be required from any and/ or all Government or Regulatory Authorities and/ or all other institutions and bodies including Financial Institutions/Banks provided that such sanctions are acceptable to the Board of the Director of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee of Directors constituted by the Board and authorized for this purpose), the consent and approval of the company be and is hereby accorded to the Board to create, offer, issue and allot 27,50,000 warrants at a price of Rs.32.50 per warrant carrying a right to subscribe to equal number of equity shares in the company on conversion of warrants, (i.e. one Equity Share for every warrant) in cash aggregating to Rs.8,93,75,000/- which is calculated in accordance with the Guidelines for preferential Issue issued by SEBI under Securities and Exchange Board of India (Disclosure and Investor protection) Guidelines, 2000, as amended, with 4th June, 2007 being the relevant date i.e. the date 30 days prior to the date of Annual General Meeting of the Company where the proposed issue is to be considered on such terms as may be deemed appropriate by the Board on preferential basis Guidelines to the proposed allottees as per details given hereunder".

1. Promoters Group Entities
2. Non Promoters Entities

690000 Warrants
2060000 Warrants

27th Annual Report

SHREYANS INDUSTRIES LIMITED

RESOLVED FURTHER THAT Warrants will be convertible within a period which shall not exceed beyond 18 months at one or more times at the option of the allottees of the warrants subject to SEBI guidelines/ regulations or any other applicable law.

RESOLVED FURTHER THAT the holders of Warrants so issued, shall have right to subscribe equal number of equity shares of nominal value of Rs.10/-each at price of Rs.32.50 per share(including premium of Rs.22.50 per equity share) computed in accordance with Chapter XIII (Guidelines for Preferential Issues)of the SEBI(Disclosure and Investor protection) Guidelines, 2000 as amended from time to time.

RESOLVED FURTHER THAT Rs.3.25 (10% of the decided price) per warrant shall be payable on the date of allotment of warrants and Rs.29.25 (remaining amount) per warrant be payable on date(s) of allotment of the resultant Equity shares/ or in such manner as may be decided by the Board of Directors at the time of allotment of Warrants.

RESOLVED FURTHER THAT the Equity Shares so issued shall rank pari passu with the exiting Equity Shares of the Company including dividend.

RESOLVED FURTHER THAT subject to SEBI guidelines and other applicable laws, the Board be and is hereby authorized to decide and approve terms and conditions of the issue of above mentioned warrants and to vary , modify or alter any of terms and conditions, including size of the issue, as it may deem expedient.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to a Committee of Directors or to any Director or Directors or any other officers of the company to give effect to the aforesaid resolutions, including to execute any documents on behalf of the company and to represent the company before any authority and to appoint any professional adviser(s)/ consultant(s)/ lawyer(s).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds matters and things as the Board may, in its, absolute discretion, deem necessary or desirable for such purpose , including without limitation to enter into arrangement/ agreements and to settle all questions, difficulties or doubts that may arise in regard to such as the Board , in its absolute discretion deem fit and to take all steps which are incidental, consequential , relevant or ancillary in this connection."

"**RESOLVED FURTHER THAT** acts, deeds & things, if any, already done by the Board of Directors, to give effect to the forgoing resolutions be and are hereby approved and ratified by the Company."

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 AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE

EFFECTIVE, MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS 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 Tuesday, the 3rd day of July, 2007 to , Wednesday the 4th day of July, 2007 (both days inclusive), for the purpose of AGM , for Physical and Electronic , both segments.

3. Members/proxies are requested to bring their 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 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. Members are requested to :

- (i) Quote their folio number/Client ID & DP-ID in all correspondence with the company.
- (ii) Notify immediately to the company any change in their address/ mandate, if any.

6. Shares of the Company are available for De-Materialization under ISIN - INE231C01019. Members who have not opted for De-Materialization are requested to do so in their own interest.

7. Pursuant to the provisions of Section 205 C of the Companies Act, 1956, as amended, Unpaid amount of the IInd Installment of redemption of 14% Non convertible Debentures which was due in financial year 1999-2000, but remained unpaid or unclaimed, has been transferred to the Investors Education and Protection Fund of the Central Government.

8. Members of the company, who are also holding Non Convertible Debentures, but not surrendered the Debenture certificate as yet, are requested to surrender the debenture Certificate. On receipt of Debenture certificate, the company shall send the redemption amount.

Shareholders/ Proxyholders are requested to produce at the entrance, the attached admission slip duly completed and signed, for admission to the Meeting Hall.

Please note that the meeting is for members or their proxies only. Please avoid being accompanied by non-members and children.

By order of the Board
For Shreyans Industries Limited

Sd/-

(VIPIN KUMAR BHATIA)
COMPANY SECRETARY

Place : Ludhiana
Dated : 4th June, 2007

27th Annual Report

SHREYANS INDUSTRIES LIMITED**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.****FOR ITEM NO. 5**

Board of Directors at its meeting held on 29.01.2007 has appointed Sh. Kunal Oswal as an Additional Director of the company.

The company has received a notice under section 257 of the companies Act, 1956 from a member of the company, proposing the candidature of Mr. Kunal Oswal for election as a director of the company. Your Directors recommend this resolution his appointment as a director of the company.

NOTICE OF INTEREST

None of the Directors, except Sh. Kunal Oswal, the appointee himself and Sh. Rajneesh Oswal and Sh. Vishal Oswal being relatives of Sh. Kunal Oswal is in any way interested in the proposed resolution.

FOR ITEM NO. 6

Sh. Rajneesh Oswal is a permanent Director of the Company. Company had appointed Sh. Rajneesh Oswal as Vice Chairman & Jt. Managing Director w.e.f. 1st August 2006 at AGM held on 30th June, 2006. The Central Government has also approved the appointment for a term of five years. After the sad demise of Sh. D.K.Oswal, the then Chairman & Managing Director of the company. Sh. Rajneesh Oswal was appointed as Chairman & Managing Director of the Company at the Board Meeting held on 20th March, 2007.

The Board of Directors at its meeting held on 4th June, 2007, in supersession of its earlier resolution dated 20.05.2006, for the appointment and remuneration of Sh. Rajneesh Oswal, has approved the re- appointment of Sh. Rajneesh Oswal as Chairman & Managing Director for the period of three years i.e. from 1st August, 2007 to 31st July, 2010, on such remuneration as mentioned hereunder and on such terms and conditions as set out in the draft agreement which is open for inspection at Registered office of the Company on any working day between 10.30 A.M. to 12.30 P.M.

The payment of remuneration to Sh. Rajneesh Oswal is subject to the approval of Shareholders in terms of section 198, 269, 309, 310 and 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and Rules made there under.

Terms in brief are given hereunder.

The Principal terms of remuneration of Sh. Rajneesh Oswal as recommended by the remuneration committee of the Company for a period of three years starting from 1st August, 2007 are as follows :

(1) SALARY

A. Chairman & Managing Director shall be paid a salary of Rs. 2,75,000/- only per month.

(2) PERQUISITES AND ALLOWANCES

(i) The expenditure pertaining to gas, electricity, water, furnishings and other utilities including repairs will be borne/reimbursed by the Company and shall be valued as per the Income Tax Rules, 1962 or in accordance with such other directions/ clarifications as may be issued by the Ministry of Company Affairs, subject to maximum of 10% of basic salary.

(ii) Reimbursement of expenses on medical treatment incurred by the appointee and his family subject to ceiling of one month salary in a year or three months salary over a period of three years.

(iii) Fee of clubs subject to a maximum of two clubs excluding admission and life membership fees.

(iv) Premium not to exceed Rs. 5,000/- per annum for personal accident insurance.

(v) Leave travel concession for self and family members as per company's rules.

(vi) Provision of Car for official -cum-personal use, however, the valuation for personal use of car shall be treated as perquisite in the hands of Chairman & Managing Director.

(vii) Provisions of Telephone at residence for official-cum-personal use. However, the valuation of personal use of telephone shall be treated as perquisite of the Chairman & Managing Director.

(3) In addition to the perquisites as aforesaid, the Chairman & Managing Director shall also be entitled to the following benefits in accordance with the Rules of the Company, which shall not be included in the computation of ceiling on remuneration:

(i) Contribution to Provident Fund, Super Annuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

(ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

(iii) Encashment of leave at the end of the tenure.

(4) Reimbursement of all entertainment, traveling, hotel and other expenses incurred by the Chairman & Managing Director during the course of and in connection with the business of the Company.

(5) No sitting fees shall be paid to the Chairman & Managing Director for attending the meeting of Board of Directors or any Committee thereof.

(6) MINIMUM REMUNERATION

In the event of inadequacy or absence of profits in any financial years during his tenure, the Chairman & Managing Director will be entitled to above remuneration along with the perquisites/ benefits mentioned above by way of minimum remuneration.

27th Annual Report

SHREYANS INDUSTRIES LIMITED

The above shall also be treated as an Abstract and Memorandum of Interest under section 302 of the Companies Act, 1956.

Necessary resolution is proposed at item no. 6 of the aforesaid agenda as special resolution.

Directors of your company recommend the above resolution for your consideration and approval.

NOTICE OF INTEREST

None of the directors, except Sh. Rajneesh Oswal, the appointee himself, Sh. Vishal Oswal and Sh. Kunal Oswal, being relatives of Sh. Rajneesh Oswal, is in anyway interested in the proposed resolution.

FOR ITEM NO. 7

The present term of appointment of Sh. Vishal Oswal as Vice Chairman & Managing Director expires on 31st July 2007. The Board of Directors in its meeting held on 4th June, 2007 has recommended the re-appointment of Sh. Vishal Oswal as Vice Chairman & Managing Director of the company for the further period of three years i.e. from 1st August, 2007 to 31st July, 2010 on such remuneration as mentioned hereunder and on such terms and conditions as set out in the draft agreement which is open for inspection at Registered office of the Company on any working day between 10.30 A.M. to 12.30 P.M. Terms in brief are given hereunder.

The remuneration of Sh. Vishal Oswal is subject to the approval of Shareholders in terms of section 198, 269, 309, 310 and 314, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956.

The Principal terms of remuneration of Sh. Vishal Oswal as approved by the remuneration committee of the Company for a period of three years starting from 1.08.2007 are as follows

(I) SALARY

A. Vice Chairman & Managing Director shall be paid a salary of Rs. 2,75,000/- only per month.

(2) PERQUISITES AND ALLOWANCES

(i) The expenditure pertaining to gas, electricity, water, furnishings and other utilities including repairs will be borne/reimbursed by the Company and shall be valued as per the Income Tax Rules, 1962 or in accordance with such other directions/ clarifications as may be issued by the Ministry of Company Affairs subject to maximum of 10% of basic salary.

(ii) Reimbursement of expenses on medical treatment incurred by the appointee and his family subject to ceiling of one month salary in a year or three months salary over a period of three years.

(iii) Fee of clubs subject to a maximum of two clubs excluding admission and life membership fees.

(iv) Premium not to exceed Rs. 5,000/- per annum for personal accident insurance.

(v) Leave travel concession for self and family members as per company's rules.

(vi) Provision of Car for official -cum-personal use. However, the valuation for personal use of car shall be treated as perquisite in the hands of Vice Chairman & Managing Director.

(vii) Provisions of Telephone at residence for official-cum-personal use. However, the valuation of personal use of

telephone shall be treated as perquisite of the Vice Chairman & Managing Director.

(3) In addition to the perquisites as aforesaid, the Vice Chairman & Managing Director shall also be entitled to the following benefits in accordance with the Rules of the Company, which shall not be included in the computation of ceiling on remuneration:

(i) Contribution to Provident Fund, Super Annuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

(ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

(iii) Encashment of leave at the end of the tenure.

(4) Reimbursement of all entertainment, traveling, hotel and other expenses incurred by the Vice Chairman & Managing Director during the course of and in connection with the business of the Company.

(5) No sitting fees shall be paid to the Vice Chairman & Managing Director for attending the meeting of Board of Directors or any Committee thereof.

(6) MINIMUM REMUNERATION

In the event of inadequacy or absence of profits in any financial years during his tenure, the Vice Chairman & Managing Director will be entitled to above remuneration along with the perquisites/ benefits mentioned above by way of minimum remuneration.

The above shall also be treated as an Abstract and Memorandum of Interest under section 302 of the Companies Act, 1956.

Necessary resolution is proposed at item no. 7 of the aforesaid agenda as special resolution.

Director of your company recommend the above resolution for your consideration and approval.

NOTICE OF INTEREST

None of the directors, except Sh. Vishal Oswal, the appointee himself, Sh. Rajneesh Oswal and Sh. Kunal Oswal, being relatives of Sh. Vishal Oswal, is in anyway interested in the proposed resolution.

FORM ITEM NO. 8

The company proposes to set up Bio-methanation plant and a 5.5 MW power co-generation plant at Shree Rishabh Paper, Banah, Nawanshahr, Punjab. The estimated cost for the combined projects worked out Rs. 24.56 crores which is proposed to be financed partly by debts from banks and partly from the proposed issue of Warrants and conversion thereof in Equity Shares.

Raising capital through Preferential Allotment is one of the most cost effective methods as no merchant banker needed to be appointed and other issue related expenses are not to be incurred. Preferential Issue is proposed by way of allotment of the warrants. Accordingly the company proposes to issue 27,50,000 warrants at a price of Rs. 32.50 per warrant (including a premium of Rs. 22.50 per warrant) calculated as per SEBI Guidelines this regard, in cash aggregating to Rs.

27th Annual Report

SHREYANS INDUSTRIES LIMITED

8,93,75,000.00 on preferential basis to the following:-

- | | |
|-----------------------------|------------------|
| 1. Promoters Group Entities | 690000 Warrants |
| 2. Non Promoters Entities | 2060000 Warrants |

The salient features of this Preferential Issue are:

27,50,000 warrants at a price of Rs 32.50 each convertible as per detail given in the resolution.

The Shares/Warrants to be allotted to the Promoters Group Entities shall be locked in for a period of three years and for a period of one year from the date of allotment for the non promoter group entities, or for such period as required by law.

The right attached to warrants to subscribe to equal number of equity shares of Rs. 10/-each at a premium of Rs. 22.50 representing 19.89% of the diluted share capital of the Company shall be exercised within a period which shall not exceed beyond 18 months from the date of allotment of warrants.

The warrants will be convertible at one or more occasion at the option of the allottees within a period which shall not exceed beyond 18 months from the date of allotment of warrants.

The warrants shall not carry any voting/ dividend right.

Disclosure:

Disclosure in terms of clause 13.1A of SEBI Guidelines on preferential Issues:

The Object of the preferential Issues:

The company proposes to set up Bio-methanation Plant and a 5.5 MW Power co-generation plant at Shree Rishabh Papers, Banah, Distt. Nawanshahar, Punjab. The estimated cost for the combined projects would be Rs.24.56 crores which is proposed to be financed partly by debts from banks and partly from the proposed issue of Warrants and conversion thereof in Equity Shares.

Intention of the Promoters/ Directors/ Key Management Persons to subscribe the offer:

Warrants being offered to promoter group shall be subscribed by the promoter group entities.

Shareholding Pattern before and after the offer:

A. PROMOTERS GROUP ENTITIES

Sr. No.	Name	NO OF WARRANTS / SHARES	EXISTING HOLDING	POST ISSUE HOLDING	PRE ISSUE %	POST ISSUE %
1	Ojasvi Investment & Mercantile Company	1,11,000	6,41,500	7,52,500	5.79%	5.44%
2	Levina Investment & Mercantile Company	1,97,000	5,56,250	7,53,250	5.02%	5.45%
3	Virat Investment & Mercantile Company	7000	5,88,100	5,95,100	5.31%	4.30%
4	Achin Investment & Mercantile Company	2,38,000	4,48,800	6,86,800	4.05%	4.97%
5	Limelite Consultants Pvt. Ltd	50,000	4,10,640	4,60,640	3.71%	3.33%
6	Noble Share Trading Pvt. Ltd.	37,000	4,20,000	4,57,000	3.79%	3.31%
7	Sulzer Invesments Pvt. Ltd.	50,000	4,10,000	4,60,000	3.70%	3.33%
8	Other Entities (Including Individual Promoters & their relatives)	0	22,31,898	22,31,898	20.16%	16.14%
	TOTAL	6,90,000	57,07,188	63,97,188	51.53%	46.27%

B. NON-PROMOTERS GROUP ENTITIES

Sr. No.	Name	NO OF WARRANTS / SHARES	EXISTING HOLDING	POST ISSUE HOLDING	PRE ISSUE %	POST ISSUE %
1	Mood Dealers Pvt. Ltd.	20,60,000	0	20,60,000	0	14.90%
	TOTAL	20,60,000	0	20,60,000	0	14.90%

Proposed time within which the allotment shall be completed:

The allotment of warrants and dispatch thereof on preferential basis shall be completed within period of 15 days, or such extended time as may be permissible from the date of passing of the special resolution by the Shareholders.

The identity of the proposed allottees and the percentage of Post preferential issue capital that may be held by them:

The promoter group companies are the companies which are declared as being part of promoters group as per the provisions of SEBI Guidelines and are controlled by the individual promoters or their relatives. All the companies are engaged in the business of investment and mainly holding the shares of listed companies of the group.

27th Annual Report

SHREYANS INDUSTRIES LIMITED

Sr. No.	Name	POST ISSUE HOLDING	POST ISSUE %
1	Ojasvi Investment & Mercantile Company	7,52,500	5.44%
2	Levina Investment & Mercantile Company	7,53,250	5.45%
3	Virat Investment & Mercantile Company	5,95,100	4.30%
4	Achin Investment & Mercantile Company	6,86,800	4.97%
5	Limelite Consultants Pvt. Ltd	4,60,640	3.33%
6	Noble Share Trading Pvt. Ltd.	4,57,000	3.31%
7	Sulzer Investments Pvt. Ltd.	4,60,000	3.33%
8	Other Entities (Including Individual Promoters & their relatives)	22,31,898	16.14%
	TOTAL	63,97,188	46.27%

The above holding includes conversion of 6,90,000 warrants into 6,90,000 equity shares assuming that right attached to the warrants will be exercised fully.

The non promoter entities consist of M/s Mood Dealers Private Ltd. which is a private company promoted by Sh. Bimal Khatri. This company is engaged in the business of trading of shares and Investments.

Sr. No.	Name	Post Issue Holding	% to the post issue capital
1.	Mood Dealers Pvt. Ltd.	20,60 000	14.90%
	TOTAL	20,60 000	14.90%

M/s Mood Dealers Pvt. Ltd. do not have any share at present and the above holding includes conversion of 20,60,000 warrants into 20,60,000 equity shares assuming that right attached to the warrants will be exercised fully.

Change in Management control

Due to above preferential allotment of warrants and the resultant issue of Equity Shares, no change in Management and control of the company is contemplated.

A copy of the Auditors' certificate dated 4th June, 2007 that the present preferential allotment is being made in accordance with the requirements contained in the guidelines for preferential issue under Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 will be placed before the Annual General Meeting.

In terms of Section 81(1A) of the Companies Act, 1956, a public company may offer its share to persons other than its exiting shareholder if a special resolution to that effect is passed in General Meeting. The consent of the members is, therefore sought to authorize the Board of Directors to issue the Warrants convertible into Equity Shares in the manner set out in the resolution.

Your Directors recommend the resolution for consideration and approval of the members.

NOTICE OF INTEREST

Sh. Kunal Oswal Director of the company, being director in all the four promoter group companies shall be deemed to be interested or concerned in the resolution. Sh. Rajneesh Oswal, Chairman & Managing Director of the company, being director in Virat Investment & Mercantile Company and Sh. Vishal Oswal Vice Chairman & Managing Director being director in Levina Investment & Mercantile Company, Ojasvi Investment &

Mercantile Company and Achin Investment & Mercantile Company shall be deemed to be interested or concerned in the resolution.

None of the other Directors of the Company is in any way, interested or concerned in the aforesaid resolution.

Re-appointment / Appointment of Directors

At the ensuing Annual General Meeting, Sh. R.C. Singal and Dr. (Mrs.) H.K. Bal, Directors of the Company will retire and being eligible, offer themselves for re-appointment. Further it is proposed to re-appoint Sh. Rajneesh Oswal as Chairman & Managing Director and Sh. Vishal Oswal as Vice Chairman & Managing Director of the Company. A resolution is also proposed to appoint Sh. Kunal Oswal as a director of the company liable to retire by rotation. Information given below as per clause 49 of the Listing Agreement on Corporate Governance.

Sh. R.C. Singal aged about 53 years is an Independent Non-Executive Director of the Company with effect from July 28, 2000. He is Fellow Member of The Institute of Company Secretaries of India and an Associate Member of The Institute of Cost and Works Accountants of India. He is also a member of All India Management Association and Certified Associate of Indian Institute of Bankers. He is a past President of the Ludhiana Stock Exchange Association Limited and a former Chairman of Northern India Regional Council of The Institute of Company Secretaries of India. He has to his credit a vast experience of more than thirty years in the field of Corporate Planning and Capital Market. Sh. R.C. Singal is Chairman of Audit Committee and Share transfer cum Investor Grievances committee and member of Remuneration Committee. He is also member of Rights Issue Management Committee, since dissolved.

27th Annual Report

SHREYANS INDUSTRIES LIMITED

Dr. (Mrs.) H.K. Bal aged about 68 years is an Independent Non-Executive of the Company with effect from April 29, 2003. She has done her M.A (Math), M.A (Stat) and Ph.D. She has worked as Professor & Head of Department, Business Management, PAU, Ludhiana. She has also worked at The Institute of Economic Growth, New Delhi. She is holding office of a director in following companies.

Nahar Industrial Enterprises Ltd.

Nahar Exports Ltd.

Nahar Spinning Mills Limited

IOL Chemicals & Pharmaceuticals Limited

Oswal Woolan Mills Ltd.

Nahar Capital & Financial Services Limited

Sportking India Ltd.

Mr. (Mrs.) H.K. Bal does not hold any share in the company.

Sh. Rajneesh Oswal aged about 41 years is the Chairman & Managing Director of the Company. He joined the Company as a Director on 30th June 1989 and was made the Executive Vice Chairman of the Company and thereafter he was made the Vice Chairman & Joint Managing Director of the Company on 20th June, 2006. He was appointed as Chairman & Managing Director of the Company on 20th March, 2007. He is a Commerce Graduate and has done Masters in Business Management. He has career spanning of over two decades in the field of Business administration.

Sh. Rajneesh Oswal is a permanent Director of the Company. He is also holding the Office of Executive Director in Adinath Textiles Ltd and Director in the following companies.

Adeep Investment Co.

Virat Investment & Mercantile Co.

Jagvallah Parasnath Capital Investment (P). Ltd.

Oasis Share Trading (P) Ltd.

Sh. Rajneesh Oswal is holding 6250 Equity shares of the company.

Sh. Vishal Oswal aged about 35 years is Vice Chairman & Managing Director of the Company. He joined the Company as Manager (Commercial & Administration). He was promoted to the position General Manager (Works) and then Director (Works)

of the erstwhile spinning division of the company and was inducted to the Board as a Director of the Company on 31st July 1999. Thereafter he was appointed as the Whole Time Director of the Company w.e.f. 1st August 1999 and Vice Chairman & Managing Director on 20th March 2007. He is a Commerce Graduate and has an experience of a decade in the field of administration.

Sh. Vishal Oswal is holding the Office of Director in the following companies.

Achin Investment & Mercantile Co.

Levina Investment & Mercantile Co.

Ojasvi Investment & Mercantile Co.

Oasis Share Trading (P) Ltd.

Sh. Vishal Oswal does not have any shares of the company.

Sh. Kunal Oswal aged about 33 years was appointed as an Additional Director of the company at the Board Meeting held on 29.01.2007. He is a Commerce Graduate.

Sh. Kunal Oswal is holding the Office of Director in the following companies.

Adeep Investment Co.

Virat Investment & Mercantile Co.

Jagvallah Parasnath Capital Investment (P). Ltd.

Achin Investment & Mercantile Co.

Levina Investment & Mercantile Co.

Ojasvi Investment & Mercantile Co.

Sh. Kunal Oswal is holding 85250 Equity shares of the company.

Sh. R.C. Singal is Director in following companies:

RCS Financial Technology Ltd. ,

Bhandari Hosiery Exports Ltd.

RCS Consultants Pvt. Ltd.

RCS Securities Pvt. Ltd.

Mukesh Steels Ltd.

RCS Share Brokers Ltd.

Titan Confiner Ltd.

Nishant Global Limited

Supreme Yarns Limited.

Statement of the details as required under Schedule XIII of the Companies Act, 1956 (as amended) are as under :

1. General Information

(1) **Nature of Industry :** The Company is engaged in the Manufacturing of writing and Printing Paper from Agricultural residues.

(2) **Date of Commencement of Commercial Production :** Company started its Commercial Production in May 1982.

(3) **Financial Performance :** Financial Performance of the Company for the years ended 31.03.2006 and 31.03.2007 are as under

(Rs. In Lacs)

	As at 31.03.2007	As at 31.03.2006
Gross Sales	21433.18	19311.22
Gross Profit (PBITD)	2517.96	2464.31
Less- Interest	742.88	822.53
Less- Depreciation	583.54	564.50
Net Profit before Tax	1191.54	1077.28
Provision for Taxation	528.80	282.55
Net Profit after Tax	662.74	794.73

(5) Export Performance and Net Foreign Exchange Collaboration :