

**19<sup>th</sup> ANNUAL REPORT  
2009-10**



**Shree Rajeshwaranand Paper  
Mills Limited**



## SHREE RAJESHWARANAND PAPER MILLS LIMITED

### 19<sup>TH</sup> ANNUAL REPORT 2009-10

<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.	
<b>AUDITORS</b>	:	M/s. Sunderji Gosar & Co.,	
		Chartered Accountants,	
		Mumbai.	
<b>COST AUDITOR</b>	:	M/s. V. H. Savaiya & Associates,	
		Cost Accountants,	
		Ahmedabad.	
<b>COMPANY LAW CONSULTANTS</b>	:	M/s. Mehta Hurkat & Associates,	
		Company Secretaries,	
		Ahmedabad.	
<b>REGISTERED OFFICE &amp; 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 **NINETEENTH ANNUAL GENERAL MEETING** of the Members of **SHREE RAJESHWARANAND PAPER MILLS LIMITED** will be held as scheduled below:

Date : 18<sup>th</sup> September, 2010  
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 31<sup>st</sup> March, 2010 and the Balance Sheet as on that date along with Directors' Report thereon.
2. To appoint a Director in place of Mr. Mahendra V. Shah, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Dhansukhbhai D. Patel, who retires by rotation and, being eligible, offers himself for re-appointment.
4. 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:**

5. To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to mortgage or charge by the Board of Directors of the Company of all the immovable and movable properties of the Company wheresoever situated, present and future, and/or conferring power to enter upon and to take possession of assets of the Company in certain events, to or in favour of Bank of Baroda (the Bank) Industrial Estate Branch, Ankleshwar, to secure Financial Assistance up to Rs. 21.00 Crores (Rupees Twenty One Crores Only) lent and advanced/agreed to be lent/advanced to the Company by the Bank together with interest thereon at the agreed rate, compound interest, additional interest, liquidated damages, costs, charges, expenses and other monies payable by the Company to the Bank under Financial Assistance Agreements entered into/ to be entered into by the Company in respect of the such Financial Assistance."

"RESOLVED FURTHER THAT the Board of Director of the Company be and is hereby authorised to finalise with the Bank the documents for creating aforesaid mortgage and/or the charge and to do all such acts and things as may be necessary for giving effect to the above resolution."

**Registered Office:**

Village: Govali,  
Bharuch – Jhagadia Road,  
Tal: Jhagadia, Dist: Bharuch  
Gujarat – 392 022  
Date: 29<sup>th</sup> May, 2010.

**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. 5 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 Wednesday, the 8<sup>th</sup> September, 2010 to Saturday, the 18<sup>th</sup> September, 2010 (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.

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 No. 5 of the accompanying notice dated 29<sup>th</sup> May, 2010 and should be taken as forming part of the notice.

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

As per the Financial Assistance Agreement already entered and to be entered with Bank of Baroda, (the Bank) Industrial Estate Branch, Ankleshwar, the Financial Assistance enhanced up to Rs. 21.00 Crores (Rupees Twenty One Crores Only) sanctioned by the Bank are to be secured by hypothecation / pledge of the Company's entire goods movables and other assets, present and future, including documents title to goods and other assets such as book-debts, outstanding moneys, receivables, claims, bills, invoices, documents, contracts, engagements, securities, investments and rights and all machinery, present and future, and are to be further secured by (a) deposit of all title deeds of the existing immovable properties of the Company with intent to create a security in favour of the Bank on such terms and conditions as may be arranged by the Bank.

Section 293(1)(a) of the Companies Act, 1956 provides, inter alia, that the Board of Directors of a Public Company shall not, without the consent of such public in General Meeting sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole, of any such undertaking.

Since the mortgaging by the Company of its immovable and movable properties as aforesaid in favour of the Bank may be regarded as, disposal of the Company's properties/undertakings, it is necessary for the members to pass a resolution under Section 293(1)(a) of the Companies Act, 1956.

Copy of Sanction Letter, Agreement, Deed of Hypothecation, correspondence of the Company with the Bank and copies of the relevant documents are open for inspection at the Registered Office of the Company between 11.00 A.M. to 1.00 P.M. on any working day prior to the date of the meeting.

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

Your Directors recommend the Resolutions.

**Registered Office:**

Village: Govali,  
Bharuch -- Jhagadia Road,  
Tal: Jhagadia, Dist: Bharuch  
Gujarat -- 392 022  
Date: 29<sup>th</sup> May, 2010.

**By Order of the Board,**

**Prakash R. Vora**  
Managing Director

**DIRECTORS' REPORT**

Dear Shareholders,

The Directors present the NINTENTH ANNUAL REPORT together with the Audited Statement of Accounts for the Financial Year 2009-10 ended 31<sup>st</sup> March, 2010.

**1. FINANCIAL RESULTS:**

(Rs. in lacs)

Particulars	2009-10	2008-09
Profit before Interest and Depreciation	545.93	611.00
Less: Interest	216.29	206.10
Profit before Depreciation	329.64	404.92
Less: Depreciation	195.19	179.90
Profit before Tax	134.45	225.02
Less: Provision for Taxation	16.56	25.66
Less: Provision for Fringe Benefit Tax	-	1.45
Profit after tax	117.89	197.91
Less : Prior period adjustments	2.20	20.30
Less: Deferred Tax Liability	32.83	130.23
Net Profit	82.86	47.38
Add: Balance Brought Forward	226.20	178.82
Balance carried to Balance Sheet	309.06	226.20

**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 achieved production of 18,468 M.T. of Newsprint/Writing and Printing paper during the year under review compared to 22,247 M.T. during 2008-09. The Company achieved sales of 18,807 M.T. during the year under review compared to 23,002 M.T. during 2008-09.

The Company has earned Profit before Interest and Depreciation of Rs. 545.93 Lacs during the year under review compared to Rs. 611.00 Lacs during 2008-09. The above results have been achieved by efficiently running the plant resulting into less consumption of raw material (Waste Paper) per unit of Production (Newsprint Paper).

After providing for Depreciation, Prior period adjustments, Taxation and after taking into account Deferred taxation, the Net Profit for the year under review stood higher at Rs. 82.86 Lacs compared to Rs. 47.38 Lacs during 2008-09.

**4. CAPACITY EXPANSION AND CAPITAL EXPENDITURE:**

The Company has spent approx. Rs. 500 lacs during the year under review for increasing the installed capacity from 70 M.T. per day to 80 M.T. per day as well as for providing facilities for better quality of production. The Management is hopeful of achieving the actual production of 75 to 80 M.T. per day by end of second quarter of the year 2010-11.

**5. FUTURE PLANS:**

As informed earlier, the installed capacity to manufacture Newsprint/Writing & Printing Paper is increased to 80 M.T. per day. The Management is planning to increase the installed capacity to 100 M.T. per day in a phased manner and to further modernise the plant for saving of various energies such as power,

## **Shree Rajeshwaranand Paper Mills Limited**

steam etc. The Board of Directors have planned to incur capital expenditure to the tune of Rs. 500 lacs during 2010-11 so as to increase the installed capacity to 100 M.T. per day. The investment would increase the installed capacity of the Company to 100 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.

### **6. DIRECTORS:**

Two of your Directors viz. Mr. Mahendra V. Shah and Mr. Dhansukhbhai D. Patel, retires by rotation in terms of the Articles of Association of the Company. They, however, being eligible offers themselves for reappointment.

### **7. 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 31<sup>st</sup> March, 2010 being end of the financial year 2009-10 and of the profit of the Company for 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.

### **8. REVOCATION OF SUSPENSION OF TRADING IN EQUITY SHARES:**

The Equity Shares of the Company are listed on Bombay Stock Exchange Limited. The Equity shares of the Company were suspended for trading by Bombay Stock Exchange Limited since December, 2004 on the grounds of certain non compliances of the Listing Agreement. The management took initiative and complied with all the stipulations / conditions imposed by Bombay Stock Exchange Limited for revocation of suspension of trading. The management is pleased to inform that the Equity shares of the Company are now being traded at Bombay Stock Exchange Limited since October, 2009 as Bombay Stock Exchange Limited revoked suspension.

### **9. RELEASE OF LOCK IN OF PROMOTER'S SHAREHOLDING:**

One of the conditions stipulated by the Bombay Stock Exchange Limited at the time of revocation of suspension of trading of Equity shares of the Company was lock in of entire Promoters' Shareholding up to 31<sup>st</sup> December, 2009 and the same was released from lock in from 1<sup>st</sup> January, 2010.

### **10. 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.

### **11. 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.

### **12. CORPORATE GOVERNANCE:**

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



**13. GENERAL:****13.1 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.

**13.2 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.

**13.3 DEPOSITS:**

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

**14. 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.

**15. 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.

**16. 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 : Jhagadia  
Date : 29<sup>th</sup> May, 2010.

**Prakash R. Vora**  
Managing Director

**Udayan D. Velvan**  
Director

ANNEXURE - I

FORM - A

A. Disclosure of particulars with respect to Conservation of Energy:		
	2009-10	2008-09
<b>(A) Power and fuel Consumption</b>		
<b>1. Electricity</b>		
(a) Purchased Power (units)	9401760	10139700
Total Amount (Rs. in lacs)	583.40	616.48
Rate (unit)	6.21	6.08
(b) Own generation Through Diesel Generator	N.A.	N.A.
<b>2. Coal/Lignite</b>		
Consumption (Qty. in Tonnes)	9043.55	9606.32
Total Amount (Rs. in lacs)	234.30	296.95
Average Rate per KG. (Rs.)	2.59	3.09
<b>(B) Consumption of Electricity units per ton of production:</b>		
Newsprint/Writing & Printing Paper Production (M.T)	18468.46	22247.26
Consumption per M.T. of Production:		
Electricity (Unit)	509.07	455.77
Coal/Lignite (Qty in KG)	489.68	431.80
<b>B. TECHNOLOGY ABSORPTION :</b>		
1. No research & development is carried out by the company.		
2. No new technology is adopted or innovated.		
<b>C. FOREIGN EXCHANGE EARNINGS &amp; OUTGO:</b>		
1. Total Foreign Exchange used (Rs. in lacs)	135.72	626.33
2. Total Foreign exchange earnings	NIL	NIL

for and on behalf of the Board,

Place : Jhagadia  
Date : 29<sup>th</sup> May, 2010.

Prakash R. Vora  
Managing Director

Udayan D. Velvan  
Director

## REPORT ON CORPORATE GOVERNANCE

### INTRODUCTION:

Corporate Governance is important to build confidence and trust which leads to strong and stable partnership with the Investors and all other Stakeholders. The detailed Report on implementation of Corporate Governance Code as incorporated in Clause 49 of the Listing Agreement with the Stock Exchange/s is set out below:

#### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and ability. The Company has implemented the mandatory requirements of the 'Code of Governance' as mentioned in Clause 49 of the Listing Agreement. The Compliance Report of the Company vis-a-vis the Stock Exchange Listing Agreement is presented below.

#### 2. BOARD OF DIRECTORS:

##### a) Composition and Category of Directors as on the date of the Report:

Name of Directors	Category of Directorship	No. of other Directorships *	Committee (1) Membership/ (2) Chairmanship in other companies	No. of Board Meetings attended	Attendance at the AGM held on 30 <sup>th</sup> Sept., 2009 Yes(Y)/No(N)
Prakash R. Vora Managing Director	Executive	-	-	11	Y
Maulik P. Vyas	Independent	-	-	11	N
Udayan D. Velvan	Non- Executive	-	-	11	Y
Amrish R. Patel Chairman	Independent	-	-	11	Y
Mahendra V. Shah	Independent	-	-	11	N
Dhansukh D. Patel	Independent	-	-	11	Y

\* Private companies excluded.

##### b) Details of the Directors seeking Appointment/Reappointment in forthcoming Annual General Meeting:

Name of Director	Mr. Mahendra V. Shah	Mr. Dhansukhbhai D. Patel
Date of Birth	07-11-1939	04-12-1956
Date of Appointment	31-07-2008	31-07-2008
Expertise in specific functional areas	Marketing & Administration	Production
List of Public Limited Companies in which Directorships held	—	—
Chairman/Member of the Committees of the Board of Directors of the Company	—	—
Chairman/Member of the Committees of Directors of other companies.	—	—

**c) Board Procedures:**

The Board of Directors meets once a quarter to review the performance and Financial Results. A detailed Agenda File is sent to all the Directors well in time of the Board Meetings. The Chairman/ Managing Director briefs the Directors at every Board Meeting, overall performance of the Company. All major decisions/approvals are taken at the Meeting of the Board of Directors such as policy formation, business plans, budgets, investment opportunities, Statutory Compliance etc. The meeting of the Board of Directors were held on 01-05-2009, 26-05-2009, 02-06-2009, 19-06-2009, 30-06-2009, 31-07-2009, 11-09-2009, 19-09-2009, 26-10-2009, 30-10-2009 & 29-01-2010.

**3. AUDIT COMMITTEE:**

The Audit Committee consists of the following Directors as on the date of the Report:

Name of the Directors	Expertise	Functions of the Committee	Attendance
Amrish R. Patel	All members are Non-executive. Chairman is independent Director and majority are independent. One member has thorough financial and accounting knowledge.	The functions of the Audit Committee are as per Company Law and Listing Agreement with Stock Exchange(s), which include approving and implementing the audit procedures, review of financial reporting system, internal control procedures and risk management policies.	Majority members and Internal Auditors were present at the meeting held on: 30-06-2009, 31-07-2009, 30-10-2009 & 29-01-2010.
Maulik P. Vyas			
Udayan D. Velvan			

**4. REMUNERATION COMMITTEE:**

The Board Committee is vested with the responsibilities to function as per SEBI Guidelines and recommends to the Board Compensation Package for the Managing Director. It also reviews from time to time the overall Compensation structure and related policies with a view to attract, motivate and retain employees.

The Committee comprises the following Directors as members as on the date of the Report:

1. Amrish R. Patel, Chairman - Non-executive Independent
2. Maulik P. Vyas, Member - Non-executive Independent
3. Udayan D. Velvan, Member - Non-executive

All the members attended the meetings held on 31-07-2009 and 29-01-2010.

Details of remuneration paid:

1. Mr. Prakash R. Vora, Managing Director was paid Rs.4,23,066/- as managerial remuneration during the year 2009-10.
2. No Sitting Fees, Commission or Stock Option has been offered to the Directors.

**5. SHAREHOLDERS/INVESTORS' GRIEVANCES COMMITTEE:**

The Board has constituted a Shareholders/Investors' Grievances Committee for the purpose of effective redressal of the complaints of the shareholders such as Dematerialisation, Share Transfer, Non-receipt of Balance Sheet, Dividend Warrants etc.

Mr. Prakash R. Vora, Managing Director and Mr. Maulik P. Vyas, Director are the Members of the Committee.

The Company received 10 complaints during the year and all were resolved to the satisfaction of the shareholders. There was no valid request for transfer of shares pending as on 31<sup>st</sup> March, 2010.

Mr. Prakash R. Vora is the Compliance Officer for the above purpose.

**6. GENERAL BODY MEETINGS:**

Details of last three Annual General Meetings of the Company are given below:

Financial Year	Date	Time	Venue
2006-2007	29-09-2007	9.30 a.m.	201, Ruby Terrace, M. G. Cross Road, Nr. Bank of Baroda, Vile Parle (E), Mumbai - 400 057.
2007-2008	30-09-2008	3.00 p.m.	Gokhale Sabhagruh, Lokmanya Seva Sangh-Parle, Ram Mandir Road, Vile Parle (East), Mumbai - 400 057.
2008-2009	19-09-2009	12.00 Noon	Village: Govali, Bharuch - Jhagadia Road, Tal: Jhagadia, Dist: Bharuch, Gujarat - 392 022

**7. DISCLOSURES:**

- The Company has not entered into any transaction of material nature with the Promoters, the Directors or the Management that may have any potential conflict with the interest of the Company. The Company has no subsidiary.
- There has neither been any non-compliance of any legal provision of applicable law, nor any penalty, stricture imposed by the Stock Exchange/s or SEBI or any other authorities, on any matters related to Capital Market during the last three years.

**8. MEANS OF COMMUNICATIONS:**

- In compliance with the requirements of the Listing Agreement, the Company is generally regular in intimating Unaudited/ Audited Financial Results to the Stock Exchange/s immediately after they are taken on record by the Board of Directors.  
Results are not displayed on Website and are not sent individually to the Shareholders.
- During the year ended on 31<sup>st</sup> March, 2010, no presentation was made to Institutional Investors or analyst or any other enterprise.
- Management Discussion and Analysis form part of the Annual Report.

**9. SHAREHOLDERS' INFORMATION:**

- Registered Office : Village : Govali,  
Bharuch - Jhagadia Road,  
Tal : Jhagadia  
Dist : Bharuch,  
Gujarat - 392 022.
- Annual General Meeting : Day : Saturday  
Date : 18<sup>th</sup> September, 2010  
Time : 1.00 p.m.  
Venue: Village : Govali,  
Bharuch - Jhagadia Road,  
Tal : Jhagadia  
Dist : Bharuch,  
Gujarat - 392 022.

## Shree Rajeshwaranand Paper Mills Limited

- c) Financial Calendar : 1<sup>st</sup> / 2<sup>nd</sup> week - August, 2010.  
 1st Quarter Results : 1<sup>st</sup> / 2<sup>nd</sup> week - November, 2010.  
 Half-yearly Results : 1<sup>st</sup> / 2<sup>nd</sup> week - February, 2011.  
 3rd Quarter Results : End-May, 2011.  
 Audited yearly Results : From : Wednesday,  
 the 8th September, 2010  
 d) Book Closure Dates : To : Saturday,  
 the 18<sup>th</sup> September, 2010.  
 (Both days inclusive).  
 e) Dividend Payment Date : Not applicable.  
 f) Listing of Shares on : Bombay Stock Exchange Limited,  
 Phiroze Jeejeebhoy Towers,  
 Dalal Street, Fort, Mumbai - 400 001.  
 g) Stock Exchange Code : 

Stock Exchange	Code
BSE	516086

  
 h) Stock Price Data : The shares of the Company were traded on The  
 Stock Exchange - Mumbai.

The information on stock price data are as under:

Month	BSE		No. of Shares Traded
	High (Rs.)	Low (Rs.)	
April, 2009	The shares of the Company were under suspension till September, 2009, hence not traded and, therefore, no details are furnished for that period.		
May, 2009			
June, 2009			
July, 2009			
August, 2009			
Sept., 2009			
Oct., 2009	29.00	8.26	2,20,565
Nov., 2009	10.15	6.86	92,190
Dec., 2009	8.48	6.20	63,404
Jan., 2010	9.83	6.38	65,105
Feb., 2010	9.00	6.20	81,592
March, 2010	8.39	6.31	46,415

- i) Registrar and Share Transfer Agents. :

In terms of SEBI Circular No. D&CC/FITTC/CIR-15/2003 dated 27th December, 2002 read with Circular No. D&CC/FITTC/CIR-18/2003 dated 12th February, 2003, on appointment of common agency for share registry work, the Company has appointed the below mentioned agency as Registrars and Share Transfer Agents (RTA) for both Physical and Demat Segment of Equity Shares of the Company:

M/s. Sharex Dynamic (India) Pvt. Ltd.  
 Unit - 1, Luthra Industrial Premises,  
 Andheri Kuria Road,  
 Safed Pool, Andheri (E),  
 Mumbai - 400 072.  
 Tele. No. :(022) 2851 5606, 2851 5644  
 Fax No. :(022) 2851 2885  
 e-mail Address:sharexindia@vsnl.com

## j) Share Transfer System :

The transfer of shares in physical form is processed and completed by M/s. Sharex Dynamic (India) Pvt. Ltd. within a period of 25 days from the date of receipt thereof. In case of Shares in electronic form, the transfers are processed by NSDL/ CDSL through the respective Depository Participants.

k) Distribution of Shareholding as on 31<sup>st</sup> March, 2010:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Up to 100	9,366	73.91	9,31,403	7.48
101 to 200	605	4.77	1,19,038	0.96
201 to 500	1,264	9.97	5,54,840	4.46
501 to 1000	737	5.82	6,69,448	5.38
1001 to 5000	562	4.43	13,03,562	10.47
5001 to 10000	55	0.43	3,95,680	3.18
10001 to 100000	62	0.49	26,62,877	21.39
100001 to above	21	0.17	58,13,152	46.69
Grand Total	12,672	100.00	1,24,50,000	100.00

l) Category of Shareholders as on 31<sup>st</sup> March, 2010:

Category	No. of Shares held	% of Shareholding
Promoters (Directors & Relatives)	7,65,595	6.15
Financial Institutions/Banks	800	0.01
Mutual Funds	-	-
Bodies Corporate	27,22,095	21.86
NRIs	7,701	0.06
Public	89,53,809	71.92
Grand Total	1,24,50,000	100.00

m) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity: The Company has not issued any GDRs/ADRs.

n) Dematerialisation of : The Company has entered into Shares Agreement with NSDL/CDSL for Dematerialisation of Shares.  
As on 31<sup>st</sup> March, 2010, a total of 33,60,415 Shares of the Company which form 27% of the Share Capital of the Company stands dematerialised.

## 10. PLANT LOCATIONS

: The Company's plants :  
Village: Govali,  
Bharuch-Jhagadia Road,  
Tal.-Jhagadia,  
Dist.-Bharuch - 392 022.  
Gujarat.

**11. ADDRESS FOR CORRESPONDENCE:**

For both Physical and Electronic Form:

M/s. Sharex Dynamic (India) Pvt. Ltd.  
Unit – 1, Luthra Industrial Premises,  
Andheri Kurla Road,  
Safed Pool, Andheri (E),  
Mumbai – 400 072.

Tele. No. :(022) 2851 5606, 2851 5644

Fax No. :(022) 2851 2885

e-mail Address:sharexindia@vsnl.com

For any assistance regarding correspondence dematerialisation of shares, share transfers, transactions, change of address, non-receipt of dividend or any other query, relating to shares:

For both Physical and Electronic Form:

M/s. Sharex Dynamic (India) Pvt. Ltd.  
Unit – 1, Luthra Industrial Premises,  
Andheri Kurla Road,  
Safed Pool, Andheri (E),  
Mumbai – 400 072.

Tele. No. :(022) 2851 5606, 2851 5644

Fax No. :(022) 2851 2885

e-mail Address:sharexindia@vsnl.com

Compliance Officer : Mr. Prakash R. Vora, Managing Director

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

Place : Jhagadia  
Date : 29<sup>th</sup> May, 2010.

**Prakash R. Vora**  
*Managing Director*

**Udayan D. Velvan**  
*Director*



**CERTIFICATE**

To  
The Members of  
Shree Rajeshwaranand Paper Mills Limited,

We have examined the compliance of conditions of corporate governance by **M/s. SHREE RAJESHWARANAND PAPER MILLS LIMITED**, for the year ended on 31<sup>st</sup> March, 2010 as stipulated in clause 49 of the listing agreement of the said Company with stock exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in almost all materials respects with the conditions of corporate governance as stipulated in the above-mentioned listing agreement.

As per representation received from the Registrars of the Company, we state that as per records maintained by the Shareholders'/ Investors' Grievance Committee, no investor grievance remaining unattended/ pending for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Mehta Hurkat & Associates,**  
Company Secretaries

Place : Ahmedabad  
Date : 29<sup>th</sup> May, 2010

**KASHYAP R. MEHTA**  
Partner  
C.O.P. No. 2052

**MANAGEMENT DISCUSSION AND ANALYSIS**

**a. Industry Structure and Developments:**

The News Paper/Printing Paper industry is passing through a competitive phase. In view of the hope of revival of economy in general and expectation of increase in editions of Newspapers and more Newspapers, the management is hopeful of better future of the industry.

**b. Opportunities and Threats:**

The News Paper/Printing Paper industry is subject to competition among various manufactures within the country. The Print media industry is growing with 8-10% growth which will provide opportunity to company to increase its sales and capture more market share.

**c. Segment wise Performance:**

The Company has only one segment.

**d. Recent Trend and Future Outlook:**

The Management is confident of improvement in the demand of Newsprint Paper in the near future with increase in preference of reading Newspapers by general public and more thrust put by the Corporates in publishing advertisements in the Newspapers.

**e. Risks and Concerns:**

Like any other industry, Newsprint Paper industry is also exposed to risk of competition, government policies, natural factor etc. As the Company is importing very few material and not exporting finished product, the Company has little risk on account of Exchange Rate fluctuations. The Company has taken necessary measures to safeguard its assets/interests etc.

**f. Internal Control Systems and their Adequacy:**

The Company has adequate systems of Internal Controls commensurate with its size and operations to ensure orderly and efficient conduct of business. These controls ensure safeguarding of assets, reduction and detection of fraud and error, adequacy and completeness of the accounting records and timely preparation of reliable financial information.

The Company has appointed an external firm of Chartered Accountants to supplement efficient Internal Audit.

**g. Financial Performance with respect to Operational Performance:**

The financial performance of the Company for the year 2009-10 is described in the Directors' Report under the head 'Review of Operation'.

**h. Material Developments in Human Resources and Industrial Relations Front:**

The Company has continued to give special attention to Human Resources/Industrial Relations development. Industrial relations remained cordial throughout the year and there was no incidence of strike, lock-out etc.

**i. Cautionary Statement:**

Statement in this Management Discussion and Analysis Report, describing the Company's objectives, estimates and expectations may constitute 'Forward Looking Statements' within the meaning of applicable laws or regulations. Actual results might differ materially from those either expressed or implied.

for and on behalf of the Board,

Place : Jhagadia  
Date : 29<sup>th</sup> May, 2010

**Prakash R. Vora**  
Managing Director

**Udayan D. Velvan**  
Director

**AUDITORS' REPORT**

To,  
The Members of  
**Shree Rajeshwaranand Paper Mills Limited.**

We have audited the attached Balance Sheet of **M/s. SHREE RAJESHWARANAND PAPER MILLS LTD.,** as at 31<sup>st</sup> March 2010, the Profit and Loss Account and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

1. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclosed in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (ii) 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 those books.
  - (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
  - (iv) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - (v) In our opinion, since the requirements under section 441A of The Companies Act, 1956 are not notified as on 31<sup>st</sup> March, 2010, reporting on whether the cess payable under section 441A has been paid or not, is not relevant for the Company, and
  - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
    - a) In the case of the balance sheet, of the state of affairs of the company as at 31<sup>st</sup> March, 2010.
    - b) In the case of the profit and loss account, of the profit for the year ended on that date; and
    - c) In the case of the cash flow statement, of the cash flow for the year ended on that date.
4. On the basis of written representations received from the directors, as on 31<sup>st</sup> March 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

For **SUNDERJI GOSAR & Co.**  
Chartered Accountants  
Firm Reg. No: 115543W

**(Alpesh K. Savla)**  
Partner

Membership No.: 47828

Place : Jhagadia  
Date : 29<sup>th</sup> May, 2010

**To the Members of  
SHREE RAJESHWARANAND PAPER MILLS LTD**

Referred to in paragraph (3) of our report of even date.

- (i) (a) We have been informed that the Fixed Assets Register showing full particulars, including quantitative details and situation of Fixed Assets is in the process of being brought up to date.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year, the Company has not disposed off any of the Plant & Machinery and hence has not affected the going concern status of the company.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) The company has not taken any loan from parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) The company is regular in repaying the principle amount as stipulated and has been regular in the payment of interest.
- (c) There are interest free advances in the nature of loans to the employees which are generally being recovered / adjusted regularly.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed nor have we been informed of any continuing failure to correct major weakness in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 are being updated.
- (b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year under consideration.
- (vi) According to the information and explanations given to us, the company is in the process of complying with the provisions of sections 58A and 58AA of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules – 1975.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.

- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty, excise duty and cess were in arrears, as at 31-03-2010 for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess, which have not been deposited on account of any dispute.
- (x) The Company has not incurred cash loss during the financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a *nidhi* mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) As per the information and explanations given to us the Company has not given guarantees for loans taken by others from bank or financial institutions.
- (xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, No long-term funds have been used to finance short-term assets except permanent working capital.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) The company has not received any money through Public Issue of Debentures.
- (xx) The Company has raised money through preferential allotment of equity shares at par to non promoters.
- (xxi) To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For **SUNDERJI GOSAR & Co.**  
Chartered Accountants  
Firm Reg. No: 115543W

**(Alpesh K. Savia)**

Partner

Membership No.: 47828

Place : Jhagadia  
Date : 29<sup>th</sup> May, 2010

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2010**

Particulars	Schedule	As at	As at
		31-03-2010 (Rupees)	31-03-2009 (Rupees)
<b>SOURCES OF FUNDS:</b>			
1) SHARE HOLDER'S FUNDS:			
Share Capital	1	124,500,000	124,500,000
Reserve & Surplus	2	33,406,255	25,120,995
2) LOAN FUNDS :			
Secured Loans	3	209,342,116	118,974,725
Unsecured Loans	4	146,556,239	87,015,793
Deferred Tax Liability		27,068,323	23,784,614
<b>TOTAL</b>		<b>540,872,932</b>	<b>379,396,127</b>
<b>APPLICATION OF FUNDS:</b>			
1) FIXED ASSETS :	5		
Gross Block		421,230,298	370,616,695
Less: Depreciation		196,019,682	176,501,223
Net Block		225,210,615	194,115,472
2) INVESTMENTS		-	-
3) CURRENT ASSETS, LOANS & ADVANCES :			
Inventory	6	76,922,999	76,464,632
Sundry Debtors	7	221,903,390	118,040,974
Cash & Bank Balance	8	8,551,388	5,256,885
Loans, Advances & Deposits	9	21,376,887	12,094,672
Other Current Assets	10	811,902	582,565
Sub Total		329,566,566	212,439,728
4) LESS:CURRENT LIABILITIES. & PROVISIONS	11	13,904,249	27,159,073
Net Current Assets		315,662,317	185,280,655
<b>TOTAL</b>		<b>540,872,932</b>	<b>379,396,127</b>
Notes forming part of Accounts	20		

As per our attached report of even date  
**For Sunderji Gosar & Co.**  
*Chartered Accountants*  
 Firm Reg. No: 115543W

**Alpesh Savla**  
 Partner  
 Membership No. 47828

Place : Jhagadia  
 Date : 29<sup>th</sup> May, 2010

**For and on behalf of the Board**

**Prakash R. Vora**                      *Managing Director*  
**Udayan D. Velvan**                      *Director*

Place : Jhagadia  
 Date : 29<sup>th</sup> May, 2010

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2010**

Particulars	Schedule	2009-10 (Rupees)	2008-09 (Rupees)
<b>INCOME:</b>		<b>587,961,491</b>	<b>561,197,029</b>
Gross Receipts			
Increase / (Decrease) in Stock	12	<u>(5,828,867)</u>	<u>(20,952,413)</u>
<b>TOTAL</b>		<b><u>582,132,624</u></b>	<b><u>540,244,616</u></b>
<b>EXPENDITURE:</b>			
Cost of Raw Materials	13	<b>192,047,276</b>	<b>316,933,294</b>
Manufacturing Expenses	14	<b>104,103,687</b>	<b>120,833,024</b>
Trading Expenses	15	<b>206,915,203</b>	-
Personnel Expenses	16	<b>13,590,641</b>	<b>11,722,143</b>
Other Operating Expenses	17	<b>10,882,759</b>	<b>29,655,202</b>
Interest & Financial Charges	18	<b>21,629,260</b>	<b>20,609,409</b>
		<b><u>549,168,826</u></b>	<b><u>499,753,071</u></b>
Profit / (Loss) before Depreciation & Tax		<b>32,963,798</b>	<b>40,491,545</b>
Less : Depreciation		<b>19,518,459</b>	<b>17,989,917</b>
<b>Profit/(Loss) Before Tax</b>		<b>13,445,339</b>	<b>22,501,628</b>
Less : Provision For Income Tax		<b>1,655,756</b>	<b>2,565,568</b>
Less : Provision For F.B.T.		-	<b>144,853</b>
Add : Prior Period Adjustment	19	<b>220,614</b>	<b>2,029,625</b>
Less : Deferred Tax Liability / (Assets)		<b>3,283,709</b>	<b>13,023,528</b>
Net Profit / Loss Available for Distribution		<b>8,285,260</b>	<b>4,738,054</b>
Add : Balance b/f from previous year		<b>22,620,995</b>	<b>17,882,941</b>
Balance Transferred to Balance Sheet		<b><u>30,906,255</u></b>	<b><u>22,620,995</u></b>
Notes Forming Part of Accounts	20		

As per our attached report of even date  
**For Sunderji Gosar & Co.**  
 Chartered Accountants  
 Firm Reg. No: 115543W

**Alpesh Savla**  
 Partner  
 Membership No. 47828

Place : Jhagadia  
 Date : 29<sup>th</sup> May, 2010

**For and on behalf of the Board**

**Prakash R. Vora**                      *Managing Director*  
**Udayan D. Velvan**                      *Director*

Place : Jhagadia  
 Date : 29<sup>th</sup> May, 2010.

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2010**

Particulars	(Rupees in Lacs) 2009-2010	(Rupees in Lacs) 2008-2009
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	132.25	204.72
<i>Adjustments For:</i>		
Depreciation	195.18	179.90
Loss on Sales of Fixed Assets	0.00	0.00
Prior Period Income/ Expenses	0.00	0.00
Interest Paid	216.29	206.09
	<u>411.48</u>	<u>385.99</u>
Operating Profit Before Working Capital Changes	<b>543.72</b>	<b>590.71</b>
<i>Adjustment For:</i>		
Trade & Other Receivables	(1133.74)	(285.88)
Inventories	(4.58)	(105.33)
Trade Payabies	(149.11)	(68.43)
	<u>(1287.43)</u>	<u>(459.64)</u>
Cash Generated From Operations	<b>(743.70)</b>	<b>131.08</b>
Interest Paid	(216.29)	(206.09)
	<u>(216.29)</u>	<u>(206.09)</u>
<b>Net Cash From Operating Activities (A)</b>	<b><u>(960.00)</u></b>	<b><u>(75.02)</u></b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	506.14	253.49
Sales of Fixed Assets	0.00	0.00
Investments	0.00	0.00
<b>Net Cash From Operating Activities (B)</b>	<b><u>506.14</u></b>	<b><u>253.49</u></b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Share Application Money	0.00	500.00
Premium from Long/Short term Borrowing (Net of repayments)	1499.08	(203.51)
<b>Net Cash from Financing Activities (C)</b>	<b><u>1499.08</u></b>	<b><u>296.49</u></b>
<b>Net Cash Inflow/(Outflow)</b>	<b>32.95</b>	<b>(32.01)</b>
Opening Balance of Cash & Cash Equivalents	52.57	84.58
Closing Balance of Cash & Cash Equivalents	85.51	52.57

As per our attached report of even date

**For Sunderji Gosar & Co.**

Chartered Accountants

Firm Reg. No: 115543W

**Alpesh Savla**

Partner

Membership No. 47828

Place : Jhagadia

Date : 29<sup>th</sup> May, 2010**For and on behalf of the Board****Prakash R. Vora**

Managing Director

**Udayan D. Velvan**

Director

Place : Jhagadia

Date : 29<sup>th</sup> May, 2010



**SCHEDULES FORMING PART OF THE ACCOUNTS**

	As at 31-03-2010 (Rupees)	As at 31-03-2009 (Rupees)
<b>SCHEDULE - 1 : SHARE CAPITAL</b>		
<b>AUTHORISED SHARE CAPITAL :</b>		
13,000,000 Equity Shares of Rs.10/- each (Previous Year 13,000,000 Equity Shares of Rs. 10. each)	<u>130,000,000</u>	<u>130,000,000</u>
<b>ISSUED, SUBSCRIBED &amp; PAID UP SHARE CAPITAL :</b>		
12,450,000 Equity Shares of Rs. 10/- each	<u>124,500,000</u>	<u>124,500,000</u>
	<u>124,500,000</u>	<u>124,500,000</u>
 <b>SCHEDULE - 2 : RESERVES &amp; SURPLUS</b>		
Capital Subsidy	2,500,000	2,500,000
Profit & Loss Account Balance	<u>30,906,255</u>	<u>22,620,995</u>
	<u>33,406,255</u>	<u>25,120,995</u>
 <b>SCHEDULE - 3 : SECURED LOANS</b>		
<b>WORKING CAPITAL</b>	145,650,810	100,047,840
From Bank (Secured by Hypothecation of Stock and Debtors)		
	63,011,635	18,000,000
<b>TERM LOAN</b>		
From Bank (Secured by First charge by way of hypothecation of all Movable & Immovable Properties of the company)		
	679,671	926,885
<b>HIRE PURCHASE LOAN</b>		
From Bank (Secured against hypothecation of vehicles financed by them)		
	<u>209,342,116</u>	<u>118,974,725</u>
 <b>SCHEDULE - 4 : UNSECURED LOANS</b>		
From Directors & Share Holders	905,195	11,952,986
From Others	3,144,066	5,185,275
From Incorporate Deposit	68,139,807	56,447,002
Sales Tax Defferment	7,073,226	11,780,530
Dealer Deposit	67,293,945	1,650,000
	<u>146,556,239</u>	<u>87,015,793</u>

# Shree Rajeshwaranand Paper Mills Limited

## SCHEDULE - 5 : FIXED ASSETS

(Rs. In '000)

Particulars	GROSS BLOCK			As on: 31-3-10	As on: 01-04-09	DEPRECIATION		As on 31-03-10	NET BLOCK	
	As on 1-4-09	Deduction during the year	Addition during the year			Deduction/ Written Back during the Year	Depreciation for the year		As on 31-3-10	As on 31-03-09
Land	3,278,417	-	-	3,278,417	-	-	-	-	3,278,417	3,278,417
Office Premises	800,000	-	-	800,000	-	-	-	-	800,000	800,000
Residential Building	1,058,478	-	-	1,058,478	217,901	-	17,253	235,154	823,324	840,577
Building	59,736,827	-	-	39,736,627	16,351,229	-	1,327,203	17,678,432	22,068,195	23,385,398
Plant & Machinery	317,985,118	-	50,413,197	368,398,315	156,203,107	-	17,467,156	173,670,263	194,728,052	161,782,010
Furniture	782,299	-	12,900	795,199	312,115	-	50,202	362,317	432,882	470,184
Office Equipments	1,396,262	-	10,874	1,498,136	729,345	-	70,777	800,122	698,014	666,917
Computers	2,060,828	-	66,150	2,126,978	1,790,145	-	336,521	2,126,666	312	270,683
Vehicles	3,518,667	-	19,491	3,538,148	897,381	-	249,347	1,146,728	2,391,420	2,621,286
<b>TOTAL :</b>	<b>370,616,698</b>	<b>-</b>	<b>50,613,602</b>	<b>421,230,298</b>	<b>176,601,223</b>	<b>-</b>	<b>19,518,459</b>	<b>196,019,682</b>	<b>225,210,616</b>	<b>194,115,473</b>

As at  
**31-03-2010**  
(Rupees)

As at  
**31-03-2009**  
(Rupees)

## SCHEDULE - 6 : INVENTORIES

(As valued and certified by Management)

Raw Material	36,995,267	41,068,752
Work in Progress	957,056	1,379,098
Finished Goods	13,297,367	18,704,192
Packing Material	431,695	506,760
Fuel	355,738	2,129,952
Stores & Spares	24,885,876	12,675,878
<b>TOTAL</b>	<b>76,922,999</b>	<b>76,464,632</b>

## SCHEDULE - 7 : SUNDRY DEBTORS

(Unsecured Considered Good)

More than 6 months	65,079,886	37,867,508
Other	156,823,504	80,173,466
<b>TOTAL</b>	<b>221,903,390</b>	<b>118,040,974</b>

## SCHEDULE - 8 : CASH & BANK BALANCES

CASH BALANCES

BALANCES WITH SCHEDULED BANKS

- In Current Accounts

- In Fixed Deposit Accounts

**TOTAL**

948,551

7,602,837

**8,551,388**

377,665

4,879,220

**5,256,885**

	As at 31-03-2010 (Rupees)	As at 31-03-2009 (Rupees)
<b>SCHEDULE - 9 : LOANS, ADVANCES &amp; DEPOSITS</b>		
Advances	1,680,616	3,723,401
Deposit	19,696,271	8,371,271
	<u>21,376,887</u>	<u>12,094,672</u>
 <b>SCHEDULE - 10 : OTHER CURRENT ASSETS</b>		
Prepaid Expenses	811,902	582,565
	<u>811,902</u>	<u>582,565</u>
 <b>SCHEDULE - 11 : CURRENT LIABILITIES AND PROVISIONS :</b>		
Sundry Creditors for Goods	3,143,675	23,319,649
Sundry Creditors for Expenses	7,805,905	75,642
Advance Received from Customers	2,591	2,590
Provision for Taxation	1,655,756	2,710,421
Statutory Liabilities	1,296,322	1,050,771
	<u>13,904,249</u>	<u>27,159,073</u>
 <b>SCHEDULE - 12 : INCREASE/(DECREASE) IN STOCK</b>		
Closing Stock of Work in Progress	957,056	1,379,098
Closing Stock of Finished Goods	13,297,367	18,704,192
Less : Opening Stock of Work in Progress	1,379,098	2,248,284
Less : Opening Stock of Finished Goods	18,704,192	38,787,419
	<u>(5,828,867)</u>	<u>(20,952,413)</u>
 <b>SCHEDULE - 13 : COST OF RAW MATERIALS</b>		
Opening Stock of Raw Materials	41,068,752	11,542,151
Add : Cost of Purchases	187,973,791	346,459,895
Less : Closing Stock of Raw Materials	36,995,267	41,068,752
	<u>192,047,276</u>	<u>316,933,294</u>

**Shree Rajeshwaranand Paper Mills Limited**

	2009-10 (Rupees)	2008-09 (Rupees)
<b>SCHEDULE - 14 : MANUFACTURING EXPENSES</b>		
Packing Material Consumed	6,150,255	6,717,344
Power & Fuel Consumed	81,770,107	91,343,337
Water Charges	116,800	114,800
Consumables, Stores & Spares Consumed	7,333,684	14,180,815
Labour Charges	2,213,365	3,004,678
Other Direct Expenses	6,519,476	5,472,050
	<u>104,103,687</u>	<u>120,833,024</u>
 <b>SCHEDULE - 15 : TRADING EXPENSES</b>	 206,915,203	 -
Trading Expenses	<u>206,915,203</u>	<u>-</u>
 <b>SCHEDULE - 16 : PERSONNEL EXPENSES</b>		
Salary, Wages & Bonus & Gratuity	13,167,575	11,409,886
Director Remuneration	423,066	312,257
	<u>13,590,641</u>	<u>11,722,143</u>
 <b>SCHEDULE - 17 : OTHER OPERATING EXPENSES</b>		
Audit Fees	643,260	1,050,566
Insurance Expenses	1,207,068	1,183,418
Selling Expenses	2,836,611	19,337,349
Travelling & Conveyance Expenses	192,183	448,048
Other Misc. & Administrative Expenses	4,313,020	4,279,815
Legal Expenses	1,374,410	2,927,573
Donation	68,200	138,444
Telephone Expenses	248,007	289,989
	<u>10,882,759</u>	<u>29,655,202</u>
 <b>SCHEDULE - 18 : INTEREST &amp; FINANCIAL CHARGES</b>		
Interest Expenses	20,247,030	19,184,157
Other Financial Charges	1,382,231	1,425,252
Bank Charges & Commission	<u>21,629,260</u>	<u>20,609,409</u>
 <b>SCHEDULE - 19 : PRIOR PERIOD ADJUSTMENT</b>		
Prior Period Income	123,935	327,615
Prior Period Expenses	96,679	1,702,010
Prior Period Income Tax	<u>220,614</u>	<u>2,029,625</u>

**SCHEDULE - 20 : NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010****1. ACCOUNTING CONVENTION:**

The financial statements are prepared under the historical cost convention in accordance with the accounting principles accepted in India and are in line with the relevant laws as well as the guidelines prescribed by the department of company affairs and the Institute of Chartered Accountants of India.

**2. METHOD OF ACCOUNTING :**

Method of accounting employed by the company is generally mercantile both as to income and expenditure except in the case of refunds from government bodies viz. sales tax, excise, income tax etc, subsidy, insurance claims and dividend receipts which are being accounted on cash basis.

**3. a. FIXED ASSETS :**

Fixed Assets have been stated at cost. Cost comprises of the purchase price and all other attributable cost of bringing the assets to its working condition for intended use.

**b. CAPITAL WORK IN PROGRESS :**

Expenses incurred towards acquisition of fixed assets which have not been installed or put to use before the year end are disclosed under capital work in progress and no depreciation has been provided on that.

**c. IMPAIRMENT OF ASSETS :**

In compliance with Accounting Standards (AS) 28 – "Impairment of Assets" issued by the Institute of Chartered Accountants of India (ICAI), the carrying amount of Cash Generating Units/Assets are reviewed at Balance Sheet date to determine whether there is any indication of impairment if any such indication exists, the recoverable amount is estimated at the higher of net selling price and value in use. Impairment loss is recognized wherever carrying amount exceeds the recoverable amount.

**4. DEPRECIATION :**

Depreciation on fixed assets is charged on straight-line method basis in the manner and as per the rates and method provided in schedule XIV of The Companies Act, 1956. Depreciation on Assets added / disposed off during the year has been provided on prorata basis with reference to the date of additions / deletions.

**5. INVENTORY :**

Raw Materials, Stores and Spare parts are valued at cost (excluding excise and sales tax), finished goods and work-in-process are valued at realizable value. The manufacturing process being continuous, work-in-progress is separately accounted here.

**6. EXCISE DUTY :**

The liability for cess duty on finished goods is accounted as and when they are cleared from the factory premises.

**7. REVENUE RECOGNITION**

Gross Receipts include commission and other income. Sales of goods are recognized on dispatch to customer and are net of returns. Sales turnover includes basic sales value, but excludes other recoveries such as insurance, excise, sales tax etc.

**8. RETIREMENT BENEFITS :**

The company contributes to the Provident fund scheme. The gratuity fund is maintained with Life Insurance Corporation of India, (EDLI policy) the Company provides for the annual gratuity liability on the basis of actuarial valuation obtained at the end of the year such contribution is charged to revenue.

## Shree Rajeshwaranand Paper Mills Limited

### 9. FOREIGN CURRENCY TRANSACTIONS :

The transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Outstanding bills at the end of year are however not booked at the exchange rate prevalent as on 31<sup>st</sup> March 2010.

### 10. BORROWING COSTS :

Interest and other related cost on acquiring qualifying assets are capitalized as per accounting standard AS-16.

### 11. TAXES ON INCOME :

#### DEFERRED TAX PROVISIONS :

As per the accounting standard AS-22 issued by ICAI, the net deferred tax liability amounting to Rs.270.68 lacs on account of timing differences as shown below for the year under consideration, is accounted for using the tax rate and laws that have been enacted or substantially enacted as on the Balance Sheet date, has been credited to the profit and loss account.

Deferred tax assets on account of set off and unabsorbed losses	Rs. 53.79 lacs
Deferred tax Liability on account of depreciation	Rs. 324.47 lacs

### 12. CURRENT TAX :

Provision for Income Tax is determined in accordance with the applicable provisions of MAT under the Income Tax Act, 1961.

### 13. EARNING PER SHARE :

	<u>2009-10</u>	<u>2008-09</u>
Profit after tax as per Profit & Loss Account	11,568,969	17,761,582
Weighted average No. of Equity Shares of Rs. 10/- each Outstanding	12,450,000	9,867,546
Basic & Diluted E.P.S.	0.93	1.80

### 14. RELATED PARTY DISCLOSURE

<b>(A) List of Related Parties :</b>	<b>Particulars</b>
<b>Subsidiaries</b>	
Associates	NIL
Key Management Personnel	1) Prakash R. Vora
Enterprise with common key management personnel	NIL
Enterprise in which key management personnel and their relatives have significant influence	1) Kankavati Investment Pvt. Ltd.
Relative of key management personnel	NIL

(B) Particulars	Associates	Enterprise in which key management personnel and relatives have significant influence	Key Management personnel	Total
1. Transaction for the year ended 31st March 2010.				
1. Purchases	Nil	Nil	Nil	Nil
2. Sales	Nil	Nil	Nil	Nil
3. Purchase of Fixed Assets	Nil	Nil	Nil	Nil
4. Sales of Fixed Assets	Nil	Nil	Nil	Nil
5. Labour charges paid	Nil	Nil	Nil	Nil
6. Labour charges income	Nil	Nil	Nil	Nil
7. Rent	Nil	Nil	Nil	Nil
8. Interest paid	Nil	226,534	Nil	226,534
9. Commission paid	Nil	Nil	Nil	Nil
10. Loan Given / Repaid	Nil	7,600,000	Nil	7,600,000
11. Loan Received	Nil	Nil	Nil	Nil
12. Guarantee Given	Nil	Nil	Nil	Nil
13. Equity contribution	Nil	Nil	Nil	Nil
14. Remuneration	Nil	Nil	423,066	423,066

## 15. SEGMENT REPORTING

	BUSINESS SEGMENT		(Rs. In Lacs)
	Paper	Cloth	Total
NET SALES/INCOME	3691.01	2088.53	5779.54
Total Segment Revenue	3691.01	2088.53	5779.54
Total Sales			
Segment Results Before Interest, Interest, Tax & Unallocable Cost	217.45	19.38	236.83
Add: - Unallocable Income			100.08
Less:-Interest			202.47
Less:-Unallocable corporate Cost			134.44
Profit before Tax			16.56
Taxes			117.90
Profit after Tax			
OTHER INFORMATION			
Segment Assets	5547.77	—	5547.77
Segment Liabilities	3698.02	—	3698.02
Capital Expenditure	—	—	—
Depreciation	195.18	—	195.18
Non Cash Expenses			
Other then Depreciation			

## Shree Rajeshwaranand Paper Mills Limited

16. All the opening balances are accepted as certified by the Management.

17. The balances of sundry Debtors, Creditors, Loans & Advances and operative banks (as stated by the management) are accepted as appearing in the ledger accounts and subject to confirmation from individual parties concerned. Management is confident of receiving all the sums due from debtors and the advances.

18. Auditors remuneration includes	<u>2009-10</u>	<u>2008-09</u>
Audit Fees	420,000	180,000
Total	<u>420,000</u>	<u>180,000</u>

19. In the opinion of the board the current assets, loans and advances are approximately of the values stated in the Balance Sheet, realized in the ordinary course of business. The company has informed that the balance confirmations have been sent to parties due adjustments will be made if any on receipt thereof.

20. Details of Remuneration to Directors

	<u>Current Year</u>	<u>Previous Year</u>
	<u>2009-10</u>	<u>2008-09</u>
Remuneration to Directors	423,066	312,257
	<u>423,066</u>	<u>312,257</u>

21. The loans from Bank of Baroda have been secured by personal guarantee of Chairman & Managing Director of the Company. Interest includes interest to Bank of Baroda of Rs. 1,83,17,849/- on their term loans.

22. The Company has to repay term loan of Bank of Baroda in 51 quarterly installments of Rs. 60 Lacs each beginning from June, 2009.

23. The Company has retained Sales Tax Collection aggregating to Rs. Nil (Previous Year Nil) outstanding of Rs. 70,73,226/- as shown in the Balance Sheet under the head "Unsecured Loans" which represents interest free sales tax loan under Sales Tax incentive Scheme of the Government of Gujarat approved vide their letter No. 4394/99 dated 25-01-2002. The repayment of which has started from the year 2006 in six equal yearly installments.

24. Previous year figures have been regrouped & reclassified wherever necessary.

25. Additional information pursuant to Para 3 & 4 of part II of Schedule VI to the Companies Act, 1956.

A. Particulars in respect of goods manufacture.

(a) Licensed / Installed Capacity

Particulars	<u>Licensed</u>	<u>Installed</u>
	<u>Capacity</u>	<u>Capacity</u>
	<u>(in M.T.)</u>	<u>(in M.T.)</u>
Newsprint / Writing & Printing Paper	33000	21000
	(33000)	(21000)



## (b) Particulars of Production, Sales, Opening and Closing Stock of goods manufactured.

Particulars	Opening Stock		Production	Sales		Closing Stock	
	Qty. (in M.T.)	Value (in Lacs)		Qty. (in M.T.)	Qty. (in M.T.)	Value (in Lacs)	Qty. (in M.T.)
Newsprint/Writing & Printing Paper/ Kraft Paper	906.82 (1661.37)	187.04 (387.87)	18468.46 (22247.26)	18806.64 (23001.80)	3657.23 (5439.29)	568.64 (906.817)	132.93 (187.04)

## B. Particulars of Raw Material consumed :

Items	Quantity (in M.T.)	Values (in Rs.)
	<b>20,075</b>	<b>175,401,434</b>
Waste Paper	(25,064)	(257,608,035)
	<b>2009-10</b>	<b>2008-09</b>

## C. Expenditure in Foreign Currency :

CIF Values of imports		
1. Raw Material	11,401,765	53,085,859
2. Plant & Machinery / Stores & Spares	2,169,996	9,547,089

## D. Earning in Foreign Currency

	Nil	Nil
--	-----	-----

## E. Break up of consumption of Raw-Materials :

i. Raw Material	94.06%	81.80%
Indigeneous	5.94%	18.20%
Imported	<b>100.00%</b>	<b>100.00%</b>
ii. Spare Parts	70.41%	76.69%
Indigeneous	29.59%	23.31%
Imported	<b>100.00%</b>	<b>100.00%</b>

**26. BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE**

**I. Registration Details**

Registration No.	11-60828	State Code	11
Balance Sheet Date :	31-03-2010		

**II. Capital Raised during the year (Amount in Rs. '000)**

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

**III. Position of Mobilisation and Deployment of Funds (Amount in Rs.'000)**

Total Liabilities	540873	Total Assets	540873
<b>Source of Funds</b>		<b>Application of Funds</b>	
Paid-up Capital	124500	Net Fixed Asset	225210
Share Application Money	—	Investments	—
Reserves and Surplus	33406	Net Current Assets	315662
Secured Loans	209342	Misc. Expenditure	—
Unsecured Loans/ Deferred Tax Liability	173625		

**IV. Performance of the Company (Amount in Rs.'000)**

Turnover	587961	Total Expenditure	568687
Profit before Tax	13445	Profit after Tax	11790
Earnings per share in Rs.	0.93	Dividend Rate (%)	—

**V. Generic Names of three principal products/services of Company**

ITEM CODE NO.	PRODUCT DESCRIPTION
1. 48010009/480260009/48052400	Newsprint / Writing Printing Paper / Kraft Paper

As per our attached report of even date  
**For Sunderji Gosar & Co.**  
*Chartered Accountants*  
 Firm Reg. No: 115543W

**Alpesh Savla**  
 Partner  
 Membership No. 47828

Place : Jhagadia  
 Date : 29<sup>th</sup> May, 2010

**For and on behalf of the Board**

**Prakash R. Vora**                      *Managing Director*  
**Udayan D. Velvan**                      *Director*

Place : Jhagadia  
 Date : 29<sup>th</sup> May, 2010

**Shree Rajeshwaranand Paper Mills Limited**

**Registered Office:**

Village : Govali, Bharuch - Jhagadia Road, Tal : Jhagadia, Dist : Bharuch, Gujarat - 392 022

**ATTENDANCE SLIP**

19<sup>th</sup> Annual General Meeting  
Saturday, the 18<sup>th</sup> September, 2010 at 1.00 p.m.

Place : At the Registered Office of the Company :  
Village : Govali,  
Bharuch - Jhagadia Road,  
Tal : Jhagadia, Dist : Bharuch,  
Gujarat - 392 022

Signature of Member/ Proxy attending the meeting \_\_\_\_\_

**Notes:**

1. This meeting is only for members. Please, therefore, do not bring person in the meeting who is not a member.
2. Please bring this attendance slip duly signed and hand it over to the representative of the Company at the entrance of the meeting place.

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**Shree Rajeshwaranand Paper Mills Limited**

**Registered Office:**

Village : Govali, Bharuch - Jhagadia Road, Tal : Jhagadia, Dist : Bharuch, Gujarat - 392 022

**FORM OF PROXY**

I/We \_\_\_\_\_  
of \_\_\_\_\_ in the district of \_\_\_\_\_  
being member/s of the above named Company hereby appoint \_\_\_\_\_  
of \_\_\_\_\_ in the district of \_\_\_\_\_  
or failing him \_\_\_\_\_  
of \_\_\_\_\_ in the district of \_\_\_\_\_  
as my/our Proxy to attend and vote for me/us on my/our behalf at the 19<sup>th</sup> Annual General Meeting of the  
Company, to be held on Saturday, the 18<sup>th</sup> September, 2010 and/or at any adjournment thereof.  
Signed the \_\_\_\_\_ day of \_\_\_\_\_ 2010.

Signature

Affix  
Signature  
Revenue  
Stamp

N.B.: This Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting.

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Book - Post

To

*If undelivered, please return to*  
**Shree Rajeshwaranand Paper Mills Limited**  
**Registered Office:**  
Village : Govali, Bharuch - Jhagadia Road,  
Tal : Jhagadia, Dist : Bharuch,  
Gujarat - 392 022

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