

**20th ANNUAL REPORT
2010-11**



**Shree Rajeshwaranand Paper
Mills Limited**



SHREE RAJESHWARANAND PAPER MILLS LIMITED

20TH ANNUAL REPORT 2010-11

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

Dear Members,

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

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

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

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

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



CONTENTS	PAGE NO.
Notice	1
Directors' Report	8
Report on Corporate Governance	12
Management Discussion and Analysis	19
Auditors' Report	20
Balance Sheet	23
Profit & Loss Account	24
Cash Flow Statement	25
Schedules Forming Part of the A/c	26
Balance Sheet Abstract	35

Shree Rajeshwaranand Paper Mills Limited

NOTICE

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

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

to transact the following business:

ORDINARY BUSINESS:

1. To receive and adopt Audited Profit and Loss Account for the year ended 31st March, 2011 and the Balance Sheet as on that date along with Directors' Report thereon.
2. To appoint a Director in place of Mr. Maulik P. Vyas, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting.

SPECIAL BUSINESS:

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

“RESOLVED THAT Mr. Ashok Kumar V. Shah be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

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

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

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

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

II. REMUNERATION:

A. SALARY:

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

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

B. PERQUISITES:

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

-
- 4) Reimbursement of medical expenses as applicable to other senior executive of the Company.
 - 5) Free use of Company's car for Company's business and free telephone facility at residence.
 - 6) Leave travel concession for himself and family once in a year in accordance with rules Specified by the Company.
- III. The Executive Director shall not, so long as he functions as such, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government.
- IV. DUTIES: Subject to the Superintendence, direction and control of the Board of Directors of the Company, the Executive Director shall be entrusted with substantial powers of management and also such other duties and responsibilities as may be entrusted to him by the Board of Directors from time to time.
- V. TERMINATION: The Executive Director may be removed from his office for gross negligence, breach of duty or trust if a Special Resolution to that effect is passed by the Company in its General Meeting. The Executive Director may resign from his office by giving 90 days' notice to the Company.
- VI. COMPENSATION: In the event of termination of office of Executive Director takes place before the expiration of tenure thereof, Executive Director Shall be entitled to receive compensation from the Company for loss of office to the extent and subject to limitation as provided under section 318 of the Companies Act, 1956."
- "RESOLVED FURTHER THAT the Company do execute an agreement with Mr. Udayan D. Velvan and Common Seal of the Company be affixed thereon in the presence of any Director of the Company."
6. To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:
- "RESOLVED THAT pursuant to the provisions of sections 198, 269, 309, 314 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Mr. Prakash R. Vora be and is hereby appointed as Managing Director of the Company, not liable to retire by rotation, for a period of 5 years with effect from 1st October, 2010 to 30th September, 2015 on the terms and conditions and the remuneration mentioned hereunder (which have been approved by Remuneration Committee) and that he be paid remuneration by way of Salary, perquisites and Commission not exceeding the amount thereof as set out in the Agreement which is permissible under Section II of Part II of Schedule XIII of the Companies Act, 1956."
- "RESOLVED FURTHER THAT the following are the important terms and conditions with respect to appointment:
- I. PERIOD: For a period of 5 years from 1st October, 2010 to 30th September, 2015.
 - II. REMUNERATION:
 - A. SALARY:

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

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

Shree Rajeshwaranand Paper Mills Limited

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

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

Registered Office:

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

By Order of the Board,

Prakash R. Vora
Managing Director

NOTES:

1. The relevant Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business at Item No. 4 to 7 set out in the Notice is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAT 48 HOURS BEFORE THE TIME OF MEETING.
3. Pursuant to section 154 of the Companies Act, 1956, Register of Members and Shares Transfer Books of the Company will remain closed from Monday, the 5th September, 2011 to Saturday, the 10th September, 2011 (both days inclusive).
4. Members intending to require information about accounts at the meeting are requested to write to the Company at least 10 days in advance of the Annual General Meeting.
5. Members are requested to:
Intimate, if Shares are held in the same name or in the same order and names, but in more than one account to enable the Company to club the said accounts in to one account. Notify immediately the Change if any, in the registered address, to the Company.
6. The Equity Shares of the Company are available for dematerialisation, as the Company has entered into agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Those shareholders who wish to hold shares in electronic form may approach their Depository Participant. The ISIN of the Equity Shares is INE617D01017.
7. All documents referred to in the Notice are open for inspection at the Registered Office of the Company during office hours on all days except Wednesday and Public Holidays between 11.00 A.M. and 1.00 P.M. up to the date of Annual General Meeting.
8. In order to exercise strict control over the transfer documents, Members are requested to send the transfer documents/correspondence, if any, directly to:

SHAREX DYNAMIC (INDIA) PRIVATE LIMITED
Unit: SHREE RAJESHWARANAND PAPER MILLS LIMITED
Unit – 1, Luthra Industrial Premises,
Andheri Kurla Road,
Safed Pool, Andheri (E),
Mumbai – 400 072.

ANNEXURE TO THE NOTICE

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

In conformity with the provisions of Section 173(2) of the Companies Act, 1956, following Explanatory Statement sets out all material facts relating to the Special Business mentioned at Item Nos. 4 to 7 of the accompanying notice dated 30th May, 2011 and should be taken as forming part of the notice.

In respect of Item No. 4:

The Board of Directors of the Company in their meeting held on 1st October, 2010 appointed Mr. Ashok Kumar V. Shah as an Additional Director of the Company.

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

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

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

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

In respect of Item No. 5:

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

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

I. PERIOD:

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

II. REMUNERATION:

A. SALARY:

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

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

B. PERQUISITES:

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

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

IV. DUTIES:

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

V. TERMINATION:

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

VI. COMPENSATION:

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

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

In respect of Item No. 6:

The Board of Directors of the Company in their meeting held on 1st October, 2010 reappointed Mr. Prakash R. Vora as Managing Director of the Company for a period of five years i.e. from 1st October, 2010 to 30th September, 2015

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

I. PERIOD:

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

II. REMUNERATION:

A. SALARY:

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

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

B. PERQUISITES:

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

Shree Rajeshwaranand Paper Mills Limited

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

IV. DUTIES:

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

V. TERMINATION:

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

VI. COMPENSATION:

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

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

In respect of Item No. 7:

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

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

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

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

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

Registered Office:

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

By Order of the Board,

Prakash R. Vora
Managing Director

DIRECTORS' REPORT

Dear Shareholders,

The Directors present the TWENTIETH ANNUAL REPORT together with the Audited Statement of Accounts for the Financial Year 2010-11 ended 31st March, 2011.

1. FINANCIAL RESULTS:

(₹ in lacs)

Particulars	2010-11	2009-10
Profit before Interest and Depreciation	700.54	545.93
Less: Interest	279.29	216.29
Profit before Depreciation	421.25	329.64
Less: Depreciation	220.26	195.19
Profit before Tax	200.98	134.45
Less: Provision for Taxation	42.07	16.56
Less : Prior period adjustments	11.00	2.20
Less: Deferred Tax Liability	23.49	32.83
Net Profit	124.44	82.86
Add: Balance Brought Forward	309.06	226.20
Balance carried to Balance Sheet	433.50	309.06

2. DIVIDEND:

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

3. REVIEW OF OPERATIONS:

The Company achieved production of 22973 M.T. of Newsprint/Writing and Printing paper during the year under review compared to 18468 M.T. during 2009-10. The Company achieved sales of 23041 M.T. during the year under review compared to 18807 M.T. during 2009-10.

The Company has earned Profit before Interest and Depreciation of ₹ 700.54 Lacs during the year under review compared to ₹ 545.93 Lacs during 2009-10. 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 and Taxation, the Net Profit for the year under review stood higher at ₹ 124.44 Lacs compared to ₹ 82.86 Lacs during 2009-10.

4. CAPACITY EXPANSION AND CAPITAL EXPENDITURE:

The Company has spent approx. ₹ 400 lacs during the year under review for increasing the installed capacity to 100 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 80 to 85 M.T. per day by end of second quarter of the year 2011-12.

5. FUTURE PLANS:

As informed earlier, the installed capacity to manufacture Newsprint/Writing & Printing Paper is increased to 100 M.T. per day. The Management is planning to increase the installed capacity in a phased manner and to further modernise the plant for saving of various energies such as power, steam etc. The Board of Directors have planned to incur capital expenditure to the tune of ₹ 500 lacs during 2011-12. The investment would increase the installed capacity and would also improve quality of Newsprint/Writing & Printing Paper which would help the Company to reduce its power cost and steam consumption cost.

Shree Rajeshwaranand Paper Mills Limited

6. DIRECTORS:

- (i) One of your Directors viz. Mr. Maulik P. Vyas, retires by rotation in terms of the Articles of Association of the Company. However, being eligible offers himself for reappointment.
- (ii) The Board of Directors appointed Mr. Ashok Kumar V. Shah as Director of the Company w.e.f. 1st October, 2010. The Board recommends your approval to his appointment as provided in the notice of Annual General Meeting.
- (iii) The Board of Directors elevated Mr. Udayan D. Velvan as Executive Director of the Company w.e.f. 1st October, 2010. The Board recommends your approval to his appointment as provided in the notice of Annual General Meeting.
- (iv) The Board of Directors reappointed Mr. Prakash R. Vora as Managing Director of the Company w.e.f. 1st October, 2010. The Board recommends your approval to his appointment as provided in the notice of Annual General Meeting.
- (v) Two of your Directors viz. Mr. Dhansukhbhai D. Patel and Mr. Mahendra V. Shah ceased to be Directors upon resignation w.e.f. 1st October, 2010 and 30th March, 2011 respectively.

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 31st March, 2011 being end of the financial year 2010-11 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. COMMENCEMENT OF OTHER OBJECTS NO. 50, 51 AND 67 OF MEMORANDUM OF ASSOCIATION OF THE COMPANY:

The Board of Directors is of the opinion that it will be in the interest of the Company to commence business of tools manufacturing etc. as provided in other objects No. 50, 51 and 67 of Memorandum of the Association of the Company relating to tools manufacturing and plastic materials.

The Board recommends your approval for the same as provided in the notice of Annual General Meeting.

9. LISTING :

The Equity Shares of the Company are listed on Bombay Stock Exchange. The Company is regular in payment of Annual Listing Fees. The Company has paid Listing fees upto the year 2011-12.

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 overdue deposits.

13.4 COST AUDIT:

The Board of Directors have appointed M/s. V.H. Savaliya & Associates, Cost Accountants, Ahmedabad as Cost Auditors to conduct cost audit for the year ended on 31st March, 2011.

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 : 30th May, 2011.

Amrish R. Patel
Chairman

Shree Rajeshwaranand Paper Mills Limited

ANNEXURE - I

FORM - A

A. Disclosure of particulars with respect to Conservation of Energy:		
	2010-11	2009-10
(A) Power and fuel Consumption		
1. Electricity		
(a) Purchased Power (units)	11934390	9401760
Total Amount (₹ in lacs)	711.65	583.40
Rate (unit)	5.96	6.21
(b) Own generation Through Diesel Generator	N.A.	N.A.
2. Coal/Lignite		
Consumption (Qty. in Tonnes)	10330.00	9043.549
Total Amount (₹ in lacs)	283.56	234.30
Average Rate per KG. (₹)	2.75	2.59
(B) Consumption of Electricity units per ton of production:		
Newsprint/Writing & Printing Paper Production (M.T)	22973.391	18468.459
Consumption per M.T. of Production:		
Electricity (Unit)	519.49	509.07
Coal/Lignite (Qty in KG)	449.65	489.68
B. TECHNOLOGY ABSORPTION :		
1. No research & development is carried out by the company.		
2. No new technology is adopted or innovated.		
C. FOREIGN EXCHANGE EARNINGS & OUTGO:		
1. Total Foreign Exchange used (₹ in lacs)	44.68	135.72
2. Total Foreign exchange earnings	NIL	NIL

for and on behalf of the Board,

Place : Jhagadia
Date : 30th May, 2011.

Amrish R. Patel
Chairman

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 18 th Sept., 2010 Yes(Y)/No(N)
Prakash R. Vora Managing Director	Executive	-	-	9	Y
Maulik P. Vyas	Independent	-	-	9	Y
Udayan D. Velvan	Executive	-	-	9	Y
Amrish R. Patel Chairman	Independent	-	-	9	Y
Ashok Kumar V. Shah	Independent	-	-	4	N

* Private companies excluded.

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

Name of Director	Maulik P. Vyas	Ashok Kumar V. Shah
Date of Birth	15-04-1981	21-11-1960
Date of Appointment	03-08-2006	01-10-2010
Expertise in specific functional areas	Marketing	Finance & Taxation
List of Public Limited Companies in which Directorships held	—	—
Chairman/Member of the Committees of the Board of Directors of the Company	Audit, Remuneration & Share holders' Grievance Committee	Audit & Remuneration Committee
Chairman/Member of the Committees of Directors of other companies.	—	—

Shree Rajeshwaranand Paper Mills Limited

Name of Director	Udayan D. Velvan	Prakash R. Vora
Date of Birth	31-07-1959	25-12-1956
Date of Appointment	01-01-2008	03-08-2006
Expertise in specific functional areas	Management & Finance	Management & Administration
List of Public Limited Companies in which Directorships held	—	—
Chairman/Member of the Committees of the Board of Directors of the Company		Share holders' Grievance Committee
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 10-04-2010, 23-04-2010, 05-05-2010, 29-05-2010, 06-08-2010, 01-10-2010, 13-11-2010, 14-02-2011 & 30-03-2011.

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 all 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: 29-05-2010, 06-08-2010, 13-11-2010 & 14-02-2011.
Maulik P. Vyas			
Ashok Kumar V. Shah			

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. Ashok kumar V. Shah, Member - Non-executive Independent

All the members attended the meetings held on 01-10-2010 and 14-02-2011.

Details of remuneration paid:

1. Mr. Prakash R. Vora, Managing Director & Mr. Udayan D. Velvan, Executive Director were paid ₹ 10,14,923/- as managerial remuneration during the year 2010-11.
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 8 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 31st March, 2011.

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
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
2009-2010	18-09-2010	1.00 p.m.	Village: Govali, Bharuch – Jhagadia Road, Tal: Jhagadia, Dist: Bharuch, Gujarat – 392 022

7. DISCLOSURES:

- a) 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.
- b) 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:

- a) 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.

- b) During the year ended on 31st March, 2011, no presentation was made to Institutional Investors or analyst or any other enterprise.
- c) Management Discussion and Analysis form part of the Annual Report.

Shree Rajeshwaranand Paper Mills Limited

9. SHAREHOLDERS' INFORMATION:

- a) Registered Office : Village : Govali,
Bharuch - Jhagadia Road,
Tal : Jhagadia
Dist : Bharuch,
Gujarat - 392 022.
- b) Annual General Meeting : Day : Saturday
Date : 10th September, 2011
Time : 1.00 p.m.
Venue: Village : Govali,
Bharuch - Jhagadia Road,
Tal : Jhagadia
Dist : Bharuch,
Gujarat - 392 022.
- c) Financial Calendar :
1st Quarter Results : 1st / 2nd week - August, 2011.
Half-yearly Results : 1st / 2nd week - November, 2011.
3rd Quarter Results : 1st / 2nd week - February, 2012.
Audited yearly Results : End-May, 2012.
- d) Book Closure Dates : From : Monday,
the 5th September, 2011
To : Saturday,
the 10th September, 2011.
(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 (₹)	Low (₹)	
April, 2010	9.36	6.51	83,719
May, 2010	9.57	5.57	33,162
June, 2010	8.37	5.57	36,542
July, 2010	7.39	6.48	19,205
August, 2010	7.45	6.11	41,113
Sept., 2010	11.85	6.06	1,93,291
Oct., 2010	12.00	8.71	85,343
Nov., 2010	9.55	7.55	26,242
Dec., 2010	8.50	6.21	6,529
Jan., 2011	8.07	5.90	8,251
Feb., 2011	9.69	7.80	155
March, 2011	9.21	5.23	16,756

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 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

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 31st March, 2011:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Up to 100	9,196	73.92	9,13,181	7.33
101 to 200	590	4.74	1,16,140	0.93
201 to 500	1237	9.94	5,42,522	4.36
501 to 1000	724	5.82	6,58,157	5.29
1001 to 5000	550	4.42	12,86,056	10.33
5001 to 10000	57	0.46	4,07,208	3.27
10001 to 100000	65	0.52	27,13,584	21.80
100001 to above	21	0.17	58,13,152	46.69
Grand Total	12,440	100.00	1,24,50,000	100.00

l) Category of Shareholders as on 31st March, 2011:

Category	No. of Shares held	% of Shareholding
Promoters (Directors & Relatives)	7,65,595	6.15
Financial Institutions/Banks	200	0.00
Mutual Funds	-	-
Bodies Corporate	27,24,530	21.88
NRIs	11,101	0.09
Public	89,48,574	71.88
Grand Total	1,24,50,000	100.00

Shree Rajeshwaranand Paper Mills Limited

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 31st March, 2011, a total of 34,71,715 Shares of the Company which form 28% 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, Gujarat – 392 022.

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 : 30th May, 2011.

Amrish R. Patel
Chairman

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 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange in India. We have conducted our review on the basis of relevant records and documents maintained by the Company for the year ended 31st March, 2011 and furnished to us for the purpose of the review and the information and explanation given to us by the Company during the course of review.

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 : 30th May, 2011

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 2010-11 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 : 30th May, 2011.

Amrish R. Patel
Chairman

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 31st March 2011, 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 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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 enclose 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 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 31st March, 2011.
 - 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 31st March 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 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

Place : Jhagadia
Date : 30th May, 2011

(Alpesh K. Savla)
Partner
Membership No.: 047828

Shree Rajeshwaranand Paper Mills Limited

ANNEXURE TO THE AUDITORS' REPORT

To the Members of
Shree Rajeshwaranand Paper Mills Limited.

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 taken loan from one party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 1.50 Crores and the year- end balance of loans taken from such party was ₹ 1.50 Crores. The Company has not granted any loan to party covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) There are no terms and conditions attached regarding the repayment of the Loans to that extent the same is detrimental to the interests of the company.
- (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 purchase 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 to be 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 31-03-2011 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/s 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 not raised any money through preferential allotment of equity shares.
- (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

Place : Jhagadia
Date : 30th May, 2011

(Alpesh K. Savla)
Partner
Membership No.: 047828

Shree Rajeshwaranand Paper Mills Limited

BALANCE SHEET AS AT 31ST MARCH, 2011

Particulars	Schedule	As at 31-03-2011 (₹)	As at 31-03-2010 (₹)
SOURCES OF FUNDS:			
1) SHARE HOLDER'S FUNDS:			
Share Capital	1	124,500,000	124,500,000
Reserve & Surplus	2	45,850,458	33,406,255
2) LOAN FUNDS :			
Secured Loans	3	191,575,445	209,342,116
Unsecured Loans	4	118,809,372	146,556,239
Deffered Tax Liability		29,416,159	27,068,323
TOTAL		<u>510,151,434</u>	<u>540,872,933</u>
APPLICATION OF FUNDS:			
1) FIXED ASSETS :	5		
Gross Block		467,852,652	421,230,298
Less: Depreciation		217,970,354	196,019,682
Net Block		249,882,298	225,210,616
2) INVESTMENTS		-	-
3) CURRENT ASSETS, LOANS & ADVANCES :			
Inventory	6	87,239,758	76,922,999
Sundry Debtors	7	162,991,694	221,903,390
Cash & Bank Balance	8	1,119,459	8,551,388
Loans, Advances & Deposits	9	23,025,822	21,376,887
Other Current Assets	10	698,503	811,902
		275,075,236	329,566,566
4) LESS:CURRENT LIABILITIES. & PROVISIONS	11	14,806,100	13,904,249
Net Current Assets		260,269,136	315,662,317
TOTAL		<u>510,151,434</u>	<u>540,872,933</u>
Notes on 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 : 30th May, 2011

For and on behalf of the Board

Prakash R. Vora

Managing Director

Udayan D. Velvan

Executive Director

Place : Jhagadia

Date : 30th May, 2011

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2011

Particulars	Schedule	2010-11 (₹)	2009-10 (₹)
INCOME:			
Gross Receipts		580,644,058	587,961,491
Increase / (Decrease) in Stock	12	4,447,625	(5,828,867)
TOTAL		585,091,683	582,132,624
EXPENDITURE:			
Cost of Raw Materials	13	311,186,735	192,047,276
Manufacturing Expenses	14	131,850,071	104,103,687
Trading Expenses	15	41,722,451	206,915,203
Personnel Expenses	16	14,932,009	13,590,641
Other Operating Expenses	17	15,346,783	10,882,758
Interest & Financial Charges	18	27,929,022	21,629,260
		542,967,070	549,168,826
Profit / (Loss) before Depreciation & Tax		42,124,613	32,963,798
Less : Depreciation		22,026,129	19,518,459
Profit/(Loss) Before Tax		20,098,484	13,445,339
Less : Provision For Income Tax		4,206,679	1,655,756
Less : Prior Period Adjustment	19	1,099,765	220,614
Less : Deferred Tax Liability / (Assets)		2,347,836	3,283,709
Net Profit / Loss Available for Distribution		12,444,204	8,285,260
Add : Balance b/f from previous year		30,906,255	22,620,995
Balance Transferred to Balance Sheet		43,350,458	30,906,255
Notes on Accounts	20		

As per our attached report of even date

For Sunderji Gosar & Co.Chartered Accountants
Firm Reg. No: 115543W**Alpesh Savia**

Partner

Membership No. 47828

Place : Jhagadia

Date : 30th May, 2011**For and on behalf of the Board****Prakash R. Vora**

Managing Director

Udayan D. Velvan

Executive Director

Place : Jhagadia

Date : 30th May, 2011

Shree Rajeshwaranand Paper Mills Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

Particulars	(₹ in Lacs) 2010-2011	(₹ in Lacs) 2009-2010
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	189.99	132.25
<i>Adjustments For:</i>		
Depreciation	220.26	195.18
Loss on Sales of Fixed Assets	2.69	—
Prior Period Income/ Expenses	—	—
Interest Paid	279.29	216.29
	<u>502.24</u>	<u>411.48</u>
Operating Profit Before Working Capital Changes	692.23	543.72
<i>Adjustment For:</i>		
Trade & Other Receivables	573.76	(1133.74)
Inventories	(103.17)	(4.58)
Trade Payables	(33.05)	(149.11)
	<u>437.55</u>	<u>(1287.43)</u>
Cash Generated From Operations	1129.77	(743.71)
Interest Paid	(279.29)	(216.29)
	<u>(279.29)</u>	<u>(216.29)</u>
Net Cash From Operating Activities (A)	<u>850.48</u>	<u>(960.00)</u>
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	475.21	506.14
Sales of Fixed Assets	(5.54)	—
Investments	—	—
Net Cash From Operating Activities (B)	<u>469.67</u>	<u>506.14</u>
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Share Application Money	—	—
Premium from Long/Short term Borrowing (Net of repayments)	(455.14)	1499.08
Net Cash from Financing Activities (C)	<u>(455.14)</u>	<u>1499.08</u>
Net Cash Inflow/(Outflow)	<u>(74.32)</u>	<u>32.94</u>
Opening Balance of Cash & Cash Equivalents	85.51	52.57
Closing Balance of Cash & Cash Equivalents	11.19	85.51

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 : 30th May, 2011

For and on behalf of the Board

Prakash R. Vora

Managing Director

Udayan D. Velvan

Executive Director

Place : Jhagadia

Date : 30th May, 2011

SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31-03-2011 (₹)	As at 31-03-2010 (₹)
SCHEDULE - 1 : SHARE CAPITAL		
AUTHORISED SHARE CAPITAL :		
13,000,000 Equity Shares of ₹ 10/- each (Previous Year 13,000,000 Equity Shares of ₹ 10. each)	<u>130,000,000</u>	<u>130,000,000</u>
ISSUED, SUBSCRIBED & PAID UP SHARE CAPITAL :		
12,450,000 Equity Shares of ₹ 10/- each	<u>124,500,000</u>	<u>124,500,000</u>
	<u>124,500,000</u>	<u>124,500,000</u>
SCHEDULE - 2 : RESERVES & SURPLUS		
Capital Subsidy	2,500,000	2,500,000
Profit & Loss Account Balance	<u>43,350,458</u>	<u>30,906,255</u>
	<u>45,850,458</u>	<u>33,406,255</u>
SCHEDULE - 3 : SECURED LOANS		
WORKING CAPITAL	144,301,060	145,650,810
From Bank (Secured by Hypothecation of Stock and Debtors)		
TERM LOAN	46,374,831	63,011,635
From Bank (Secured by First charge by way of hypothecation of all Movable & Immovable Properties of the company)		
HIRE PURCHASE LOAN	899,554	679,671
From Bank (Secured against hypothecation of vehicles financed by them)		
	<u>191,575,445</u>	<u>209,342,116</u>
SCHEDULE - 4 : UNSECURED LOANS		
From Directors & Share Holders	5,844,949	905,195
From Others	2,811,159	3,144,066
From Incorporate Deposit	69,877,020	68,139,807
Sales Tax Defferment	2,458,574	7,073,226
Dealer Deposit	<u>37,817,670</u>	<u>67,293,945</u>
	<u>118,809,372</u>	<u>146,556,239</u>

Shree Rajeshwaranand Paper Mills Limited

SCHEDULE - 5 : FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 1-4-10	Deduction during the year	Addition during the year	As on 31-3-11	As on 01-04-10	Deduction/ Written Back during the Year	Depreciation for the year	As on 31-03-11	As on 31-3-11	As on 31-03-10
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	235,154	-	17,253	252,407	806,071	823,324
Building	39,736,627	-	1,723,619	41,460,246	17,678,432	-	1,354,737	19,033,169	22,427,077	22,058,195
Plant & Machinery	368,398,315	-	43,480,723	411,879,038	173,670,263	-	20,205,245	193,875,508	218,003,530	194,728,052
Furniture	795,199	-	170,581	965,780	362,317	-	56,754	419,071	546,709	432,882
Office Equipments	1,498,136	-	195,809	1,693,945	800,122	-	76,868	876,990	816,955	698,014
Computers	2,126,978	-	17,693	2,144,671	2,126,666	-	18,005	2,144,671	-	312
Vehicles	3,538,148	898,493	1,932,425	4,572,080	1,146,728	75,458	297,267	1,368,537	3,203,543	2,391,420
TOTAL :	421,230,298	898,493	47,520,850	467,852,655	196,019,682	75,458	22,026,129	217,970,354	249,882,302	225,210,616

As at
31-03-2011
(₹)

As at
31-03-2010
(₹)

SCHEDULE - 6 : INVENTORIES

(As valued and certified by Management)

Raw Material	40,594,541	36,995,267
Work in Progress	6,387,807	957,056
Finished Goods	12,314,241	13,297,367
Packing Material	810,161	431,695
Fuel	4,798,385	355,738
Stores & Spares	22,334,623	24,885,876
TOTAL	87,239,758	76,922,999

SCHEDULE - 7 : SUNDRY DEBTORS

(Unsecured Considered Good)

More than 6 months	13,374,812	65,079,886
Others	149,616,882	156,823,504
TOTAL	162,991,694	221,903,390

SCHEDULE - 8 : CASH & BANK BALANCES

CASH BALANCES	338,220	948,551
BALANCES WITH SCHEDULED BANKS		
- In Current Accounts	781,239	7,602,837
- In Fixed Deposit Accounts	-	-
TOTAL	1,119,459	8,551,388

20TH ANNUAL REPORT 2010-11

	As at 31-03-2011 (₹)	As at 31-03-2010 (₹)
SCHEDULE - 9 : LOANS, ADVANCES & DEPOSITS		
Advances	5,067,551	1,680,616
Deposit	17,958,271	19,696,271
	<u>23,025,822</u>	<u>21,376,887</u>
 SCHEDULE - 10 : OTHER CURRENT ASSETS		
Prepaid Expenses	<u>698,503</u>	811,902
	<u>698,503</u>	<u>811,902</u>
 SCHEDULE - 11 : CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors for Goods	(1,657,484)	3,143,675
Sundry Creditors for Expenses	9,593,456	7,805,905
Advance Received from Customers	202,590	2,591
Provision for Taxation	4,206,679	1,655,756
Statutory Liabilities	2,460,859	1,296,322
	<u>14,806,100</u>	<u>13,904,249</u>
	<u>2010-11 (₹)</u>	<u>2009-10 (₹)</u>
 SCHEDULE - 12 : INCREASE/(DECREASE) IN STOCK		
Closing Stock of Work in Progress	6,387,807	957,056
Closing Stock of Finished Goods	12,314,241	13,297,367
Less : Opening Stock of Work in Progress	957,056	1,379,098
Less : Opening Stock of Finished Goods	13,297,367	18,704,192
	<u>4,447,625</u>	<u>(5,828,867)</u>
 SCHEDULE - 13 : COST OF RAW MATERIALS		
Opening Stock of Raw Materials	36,995,267	41,068,752
Add : Cost of Purchases	314,786,009	187,973,791
Less : Closing Stock of Raw Materials	40,594,541	36,995,267
	<u>311,186,735</u>	<u>192,047,276</u>

Shree Rajeshwaranand Paper Mills Limited

	2010-11 (₹)	2009-10 (₹)
SCHEDULE - 14 : MANUFACTURING EXPENSES		
Packing Material Consumed	7,867,788	6,150,255
Power & Fuel Consumed	99,048,960	81,770,107
Water Charges	127,820	116,800
Consumables, Stores & Spares Consumed	17,511,353	7,333,684
Labour Charges	3,796,611	2,213,365
Other Direct Expenses	3,497,539	6,519,476
	<u>131,850,071</u>	<u>104,103,687</u>
SCHEDULE - 15 : TRADING EXPENSES		
Trading Expenses	41,722,451	206,915,203
	<u>41,722,451</u>	<u>206,915,203</u>
SCHEDULE - 16 : PERSONNEL EXPENSES		
Salary, Wages & Bonus & Gratuity	13,890,086	13,167,575
Director Remuneration	1,041,923	423,066
	<u>14,932,009</u>	<u>13,590,641</u>
SCHEDULE - 17 : OTHER OPERATING EXPENSES		
Audit Fees	673,560	643,260
Insurance Expenses	1,756,162	1,207,068
Selling Expenses	7,462,273	2,836,611
Travelling & Conveyance Expenses	229,501	192,183
Other Misc. & Administrative Expenses	4,457,768	4,313,020
Legal Expenses	546,976	1,374,410
Donation	18,211	68,200
Telephone Expenses	202,332	248,007
	<u>15,346,783</u>	<u>10,882,758</u>
SCHEDULE - 18 : INTEREST & FINANCIAL CHARGES		
Interest Expenses		
Interest Expenses	25,864,756	20,247,030
Other Financial Charges		
Bank Charges & Commission	2,064,266	1,382,231
	<u>27,929,022</u>	<u>21,629,260</u>
SCHEDULE - 19 : PRIOR PERIOD ADJUSTMENT		
Prior Period Income	-	-
Prior Period Expenses	208,897	123,935
Income Tax Adjustment	890,868	96,679
	<u>1,099,765</u>	<u>220,614</u>

SCHEDULE - 20 : NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011**1. ACCOUNTING CONVENTION:**

The financial statement 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 and Interest from GEB Deposit & Margin Money 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 are valued at realizable value and work-in-process is valued at the cost of production. The manufacturing process being continuous, work-in-progress is separately accounted for.

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 31st March 2011.

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.294.16 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 Liability on account of depreciation ₹ 23.48 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>2010-11</u>	<u>2009-10</u>
Profit after tax as per Profit & Loss Account	14,928,719	11,568,969
Weighted average No. of Equity Shares of ₹ 10/- each Outstanding	12,450,000	12,450,000
Basic & Diluted E.P.S.	1.20	0.93

14. RELATED PARTY DISCLOSURE

(A) List of Related Parties :	Particulars
Subsidiaries / Associates	NIL
Key Management Personnel	1) Prakash R. Vora 2) Udayan Velvan
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	1) Hemali Vora 2) Parth Velvan

20TH ANNUAL REPORT 2010-11

(B) Particulars	Associates	Enterprise in which key Management personnel and relatives have significant influence	Key personnel and their relative	Total
1. Transaction for the year ended 31st March 2011.				
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	Nil	Nil	Nil
9. Commission paid	Nil	Nil	Nil	Nil
10. Loan Given / Repaid	Nil	Nil	14,455,195	14,455,195
11. Loan Received	Nil	15,000,000	19,535,000	34,535,000
12. Guarantee Given	Nil	Nil	Nil	Nil
13. Equity contribution	Nil	Nil	Nil	Nil
14. Remuneration	Nil	Nil	1,014,923	1,014,923
15. Salary	Nil	Nil	571,005	571,005

15. SEGMENT REPORTING

	BUSINESS SEGMENT		(₹ In Lacs)
	Paper	Fabric	Total
REVENUE			
NET SALES/INCOME	5280.21	420.86	5701.07
Total Segment Revenue	5280.21	420.86	5701.07
Segment Results Before Interest, Tax & Unallocable Cost	371.26	3.64	374.90
Add: - Unallocable Income			105.37
Less:-Interest			279.29
Less:-Unallocable corporate Cost			—
Profit before Tax			200.98
Taxes			42.06
Profit after Tax			158.92
OTHER INFORMATION			
Segment Assets	5249.51	—	5249.51
Segment Liabilities	3250.48	—	3250.48
Capital Expenditure	—	—	—
Depreciation	220.26	—	220.26
Non Cash Expenses			
Other then Depreciation	-	-	-

Shree Rajeshwaranand Paper Mills Limited

16. 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.

	<u>2010-11</u>	<u>2009-10</u>
17. Auditors remuneration includes		
Audit Fees	420,000	420,000
Total	420,000	420,000

18. 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.

19. Details of Remuneration to Directors

	<u>2010-11</u>	<u>2009-10</u>
Remuneration to Directors	1,014,923	423,066
	1,014,923	423,066

20. The loans from Bank of Baroda have been secured by personal guarantee of two directors and also some shares held by them are pledged, over and above the assets of the Company. Interest includes interest to Bank of Baroda of ₹ 80,00,115/- on their term loans.

21. The Company has to repay term loan of Bank of Baroda as per following schedule.

Loan Amount	Amount	No.of Installments	Date of Commencement
3,00,00,000/-	5,00,000/-	60 (Monthly)	November, 2009
2,00,00,000/-	3,33,000/-	59 (Monthly)	November, 2009
2,55,00,000/-	5,00,000/-	51 (Monthly)	October, 2006

22. The Company had retained Sales Tax Collection 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. The outstanding as on the year end is ₹ 24,58,574 (Previous year ₹ 70,73,226/-)

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

24. 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	Licensed Capacity (in M.T.)	Installed Capacity (in M.T.)
Newsprint / Writing & Printing Paper	33000 (33000)	30000 (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.)	Value (in Lacs)
Newsprint/Writing & Printing Paper/ Kraft Paper/ Rulling Paper	568.64 (906.82)	68.60 (187.04)	22973.39 (18468.46)	23041.34 (18806.64)	5288.27 (3657.23)	500.69 (568.64)	123.14 (132.93)

B. Particulars of Raw Material consumed :

Items	Quantity (in M.T.)	Values (in ₹)
Waste Paper	25,947 (20,075)	291,556,576 (175,401,434)
	2010-11	2009-10

C. Expenditure in Foreign Currency :

CIF Values of imports

1. Raw Material	2,347,494	11,401,765
2. Plant & Machinery / Stores & Spares	2,120,030	2,169,996

D. Earning in Foreign Currency

Nil Nil

E. Break up of consumption of Raw-Materials :

I. Raw Material

Indigeneous	95.95%	94.06%
Imported	4.05%	5.94%
	100.00%	100.00%

II. Spare Parts

Indigeneous	90.86%	70.41%
Imported	9.14%	29.59%
	100.00%	100.00%

Shree Rajeshwaranand Paper Mills Limited

25. BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	L21093GJ1991PLC057244
State Code	11
Balance Sheet Date :	31-03-2011

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

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

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

Total Liabilities	510151	Total Assets	510151
Source of Funds		Application of Funds	
Paid-up Capital	124500	Net Fixed Asset	249882
Share Application Money	—	Investments	—
Reserves and Surplus	45850	Net Current Assets	260269
Secured Loans	191575	Misc. Expenditure	—
Unsecured Loans/ Deferred Tax Liability	118809		

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

Turnover	580644	Total Expenditure	564993
Profit before Tax	20098	Profit after Tax	15892
Earnings per share in ₹	1.28	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 : 30th May, 2011

For and on behalf of the Board

Prakash R. Vora

Managing Director

Udayan D. Velvan

Executive Director

Shree Rajeshwaranand Paper Mills Limited

Registered Office:

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

20th Annual General Meeting
Saturday, the 10th September, 2011 at 1.00 p.m.

ATTENDANCE SLIP

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.

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 20th Annual General Meeting of the Company, to be held on Saturday, the 10th September, 2011 and/or at any adjournment thereof.

Signed the _____ day of _____ 2011.

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.

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

Pratiksha Printers, A'bad. 98252 62512