

MD	✓		BKC	✓
CS	✓		DPY	NA
RO	✓		DIV	NA
TRA	NA		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		✓

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**AURANGABAD PAPER MILLS LIMITED**



## AURANGABAD PAPER MILLS LIMITED

### BOARD OF DIRECTORS

Shri Parmeshwar G. Mittal	:	<b>MANAGING DIRECTOR</b>
Shri Shankarlal G. Mittal	:	<b>EXECUTIVE DIRECTOR</b>
Shri Badal Mittal	:	<b>EXECUTIVE DIRECTOR</b>
Shri R. R. Jhunjhunwala	:	<b>WHOLE TIME DIRECTOR</b>
Shri Niranjanalal B. Dalmia		
Shri Shobhan M. Thakore		
Shri O. V. Kuruvilla		
Shri H. R. Pujari	:	<b>ICICI Nominee</b>
Shri K. Raghavan	:	<b>IDBI Nominee</b>
Ms. Kala S. Pant	:	<b>SICOM Nominee</b>

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Shri Ramesh Mittal : **RESIDENT DIRECTOR**

Shri V. S. Viswanathan : **SECRETARY**

### AUDITORS :

M/s. O.P. Saraogi & Co.,  
Chartered Accountants  
5, Apeejay House,  
130, Bombay Samachar Marg,  
Mumbai : 400 023.

### BANKERS :

Bank of Maharashtra  
Indian Overseas Bank  
The Bank of Rajasthan Limited

### REGISTERED OFFICE :

Opposite Municipal School,  
Bansilal Nagar,  
Aurangabad : 431 005.

### WORKS :

M.I.D.C. Paithan, Dist. Aurangabad  
Maharashtra.

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**NOTICE OF TWENTY THIRD ANNUAL GENERAL MEETING**

Notice is hereby given that the 23rd Annual General Meeting of the Members of Aurangabad Paper Mills Limited will be held on Wednesday, the 3rd day of June, 1998 at 2.30 p.m. at Aurangabad Office, Opposite Municipal School, Bansilal Nagar, Aurangabad : 431 005, to transact the following business:-

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 1998 and the Profit & Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri O.V.Kuruvilla, who retires by rotation as per Article 159 of the Articles of Association of the Company and, being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, and to fix their remuneration.

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing proxy duly completed, stamped and signed, should be deposited at the Registered Office of the Company at Opposite Municipal School, Bansilal Nagar, Aurangabad : 431 005, not later than 48 hours before the commencement of the meeting.
3. The Register of members and the Share Transfer Books of the Company will remain closed from Tuesday, the 2nd June, 1998 to Wednesday, the 3rd June, 1998 (both days inclusive).

By Order of the Board

**V. S. VISWANATHAN**  
SECRETARY

Place : MUMBAI

Date : 20th April, 1998

**REGISTERED OFFICE :**

Opp. Municipal School,  
Bansilal Nagar,  
Aurangabad : 431 005.



## AURANGABAD PAPER MILLS LIMITED

### DIRECTORS' REPORT

Dear Shareholders,

Your Directors hereby present the 23rd Annual Report of the Company and the Audited Accounts for the year ended March 31, 1998.

	(Rs. in lacs)	
	Year ended	
<b>FINANCIAL RESULTS :</b>	<b>31.03.1998</b>	<b>31.03.1997</b>
Loss before Interest,		
Depreciation & Taxation	1161.64	370.82
Add : Interest	357.08	298.56
Provision for Depreciation	180.94	188.32
Net Loss for the year	1699.66	857.70
Less: Income tax refund of earlier years	—	0.40
Add/Deduct : Loss (-)/Profit brought forward from previous year	- 850.47	6.83
	<u>2550.13</u>	<u>850.47</u>

#### OPERATIONS VIS-A-VIS MARKET SCENERIO :

The overall operations of the Company during the year under review continued to be unsatisfactory due to overall economic senerio and unfavourable conditions prevalent in paper industry. In the last Directors' Report, your directors had expressed the hope that a notification imposing the anti-dumping duty on newsprint imported from USA, Canada and Russia would be imposed immediately, based on the provisional duty recommended by the Designated Authority attached to the Union Commerce Ministry. However, the fact remains that, till date the Government of India has not imposed any anti-dumping duty on newsprint imported from the aforesaid countries. Your directors are hopeful that the working of the Company will show a sea change as soon as the Anti-Dumping duty is imposed.

Regarding Kraft Paper, the market has been going through a demand recession due to various factors.

Basically, the export of kraft paper as packaging material from India has gone down due to slowing down of economy coupled with currency crisis in South East Asian countries. Besides, the selling price of kraft paper was unremunerative to domestic manufacturers due to the following reasons :

- Sugarcane production, particularly in Maharashtra, has considerably slowed down, resulting in non-availability of sufficient Bagasse, which is the key raw material for production of kraft paper.
- The price of Bagasse has been steadily increasing due to scarcity, but the selling price of kraft paper has been regularly falling, thereby resulting in operational loss.

Due to the aforesaid problems, the margins of the Company were under tremendous pressure. In fact the Company was constrained to liquidate stocks at lower than cost price. Hence the cash flow of the Company continued to be adversely hit. Besides, the Company could not make timely payment to raw material suppliers who were reluctant to extend credit facility to the Company as a result of which, the Company had to curtail production resulting in substantial losses.

#### FUTURE OUTLOOK

The future outlook of the Company largely hinges on the imposition of anti-dumping duty on imported newsprint and also on the banks and participating financial institutions favourably considering the Company's proposed revival package.

#### DIVIDEND

In view of the continued operational losses, no dividend has been recommended by the Board for the year under review.

#### REFERENCE TO BIFR

Based on the Audited financial results for the year ended 31st March, 1998, the Company has become a 'Sick Industrial Company' within the meaning of Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985. The Company has made a reference in accordance with the proviso to

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Section 15(1) of the said Act, to the Board for Industrial and Financial Reconstruction (BIFR).

**DIRECTORS**

Shri O.V.Kuruvilla will retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

**PARTICULARS OF EMPLOYEES**

There was no employee in respect of whom information is required to be disclosed as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

**CONSERVATION OF ENERGY AND FOREIGN EXCHANGE EARNING/OUTGO**

The information required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 is appended hereto and forms part of this report.

**TECHNOLOGY ABSORPTION**

Presently the Company has an in-house Research & Development Wing which takes care of developmental projects of the Company. The Company at present does not have technical collaboration/technical assistance agreement with any Company in India or abroad.

**AUDITORS**

The Auditors, M/s. O.P. Saraogi & Co., Chartered Accountants, will retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. You are requested to consider their re-appointment and to fix their remuneration.

**ACKNOWLEDGEMENTS**

Your Directors are grateful to the Financial Institutions and the Company's Bankers for their continued support and co-operation. Your Directors also wish to place on record their appreciation of the services rendered by the employees at all levels.

For and on behalf of the Board of Directors

**Parmeshwar G. Mittal**  
Managing Director

**Badal Mittal**  
Executive Director

Place : Mumbai

Date : 20th April, 1998