
29TH ANNUAL REPORT 2003 - 2004

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AURANGABAD PAPER MILLS LIMITED



AURANGABAD PAPER MILLS LIMITED

BOARD OF DIRECTORS

Shri Parmeshwar G. Mittal	:	MANAGING DIRECTOR
Shri Shankarlal G. Mittal	:	EXECUTIVE DIRECTOR
Shri Badal Mittal	:	EXECUTIVE DIRECTOR
Shri Niranjanlal B. Dalmia	:	DIRECTOR

Shri P.K.B. Namblar	:	CONSULTING COMPANY SECRETARY
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AUDITORS

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

BANKERS

Bank of Maharashtra
The Bank of Rajasthan Limited

REGISTERED OFFICE & WORKS

M.I.D.C PAITHAN,
Dist. Aurangabad 431 148,
Maharashtra.

ADMINISTRATIVE OFFICE

171/B, Mittal Tower,
210, Nariman Point,
Mumbai-400 021.
Maharashtra

NOTICE OF TWENTY NINTH ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Ninth Annual General Meeting of the Members of Aurangabad Paper Mills Limited will be held on Tuesday the 30th November, 2004 at 2.30 p.m. at the Registered Office at MIDC Paithan, District Aurangabad - 431 148 to transact the following business :-

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2004 and the Profit & Loss Account for the year ended on that date together with the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Shankarlal G. Mittal 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

SPECIAL BUSINESS :

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

"RESOLVED that the consent of the Company be and is hereby given to the cancellation of 19,75,000 (Nineteen Lakhs Seventy Five Thousand) Equity Shares of Rs. 10/- (Rupees Ten Only) each of the Company lying unissued and simultaneous creation of 1,97,500 (One Lakh Ninety Seven Thousand Five Hundred) Preference Shares of Rs.100/- (Rupees One Hundred Only) each in place thereof subject to the terms and conditions laid down in Section 80 of the Companies Act, 1956, the Authorised Capital of the Company being unchanged."

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

"RESOLVED THAT the existing Clause V of the Memorandum of Association of the Company be and is hereby substituted by the following new clause :

V. The Authorised Share Capital of the Company is Rs. 8,00,00,000/- (Rupees Eight Crores only) divided into 58,25,000 (Fifty Eight Lakhs Twenty Five Thousand) Equity Shares of Rs. 10/- (Rupees Ten Only) each and 2,17,500 (Two Lakhs Seventeen Thousand Five Hundred) Redeemable Cumulative Preference shares of Rs. 100/- (Rupees One Hundred only) each with power to increase and reduce the capital and to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate in any such manner as may for the time being be provided in the regulations of the Company and allowed by law."

6. To consider and, if thought fit, to pass with or without modification(s) the following as a Special Resolution :

"RESOLVED THAT pursuant to the provisions of Section 31(1) of the Companies Act, 1956, Articles of Association of the Company be altered by substituting the following for the existing Article 2 thereof :

The authorised share capital of the Company is Rs. 8,00,00,000/- (Rupees Eight Crores only) divided into 58,25,000 (Fifty Eight Lakhs Twenty Five Thousand) Equity Shares of Rs. 10/- (Rupees Ten Only) each and 2,17,500 (Two Lakhs Seventeen Thousand Five Hundred) Redeemable Cumulative Preference shares of Rs. 100/- (Rupees One Hundred only) each with power to increase and reduce the capital and to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate in any such manner as may for the time being be provided in the regulations of the Company and allowed by law."


AURANGABAD PAPER MILLS LIMITED
NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND ON POLL TO VOTE INSTEAD OF HIMSELF. A 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 MIDC, Paithan, District Aurangabad - 431 148, 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 Wednesday the 24th November, 2004 to Tuesday the 30th November, 2004 (both days inclusive).
4. Explanatory Statement as per the provisions of Section 173(2) of the Companies Act, 1956 in respect of items 4 to 6 of the notice is annexed hereto.

By Order of the Board

Place : Mumbai
Date : 29th October, 2004

BADAL MITTAL
EXECUTIVE DIRECTOR

ANNEXURE :

Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956 in respect of items 4 to 6 of the Notice convening the Annual General Meeting

Items 4 to 6

As per the terms of One Time Settlement with Financial Institutions the Company is required to issue Cumulative Convertible Preference Shares to IDBI against dues to them amounting to Rs. 30,70,000/- (Rupees Thirty Lakhs Seventy Thousand).

At present the company's Authorised Capital comprises of Rs. 78,00,000 (Seventy Eight Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each and 20,000 (Twenty Thousand) Preference Shares of Rs. 100/- (Rupees One Hundred Only) each. For the purposes of issuing preference shares to the Institutions as aforesaid it is necessary to have preference shares to that extent in the Authorised Capital of the Company.

As the Company has unissued Equity Shares in the Authorised Capital, the Board felt it appropriate to reclassify the same into Preference Shares to enable issue of Cumulative Convertible Preference Shares. Consequently relevant amendments are required to be carried out in the Memorandum and Articles of Association.

The Shareholders are requested to pass the enabling resolutions set out under items 4 to 6 of the notice convening the Annual General Meeting.

None of the Directors is interested or concerned in the resolutions.

A copy of the Memorandum and Articles of Association is available for inspection at the Registered Office of the Company between 10 a.m. and 1.00 p.m. on any working days.

By Order of the Board

Place : Mumbai
Date : 29th October, 2004

BADAL MITTAL
EXECUTIVE DIRECTOR

DIRECTORS' REPORT

Dear Shareholders,

Your Directors hereby present the Twenty Ninth Annual Report of the Company and the Audited Accounts for the year ended March 31, 2004.

(Rs. in lacs)
Year ended

FINANCIAL RESULTS : 31.03.2004 31.03.2003

Loss before Interest,

Depreciation & Taxation	4.66	14.26
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Add : Interest	19.23	16.11
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Net Loss for the year	23.89	30.37
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Add : Loss brought forward

from previous year	118.83	2212.00
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	142.72	2242.37
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OPERATIONS

The Company was declared as a Sick Industrial Company within the meaning of Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) by the Board for Industrial & Financial Reconstruction (BIFR), ICICI being the Operating Agency. As a revival package could not be finalised with the consensus of all parties concerned, a proposal for One Time Settlement (OTS) was forwarded by the Promoters of the Company for consideration of the Operating Agency, Participating Financial Institutions and Banks. The Operating Agency and other participating lenders agreed for full and final settlement of their dues with a waiver of interest, etc. against transfer of real estates by the Promoters in lieu of cash payments. Accordingly, conveyance of real estates of the promoters were executed in

favour of all the lenders except two. Hope fully, Settlement with the remaining two lenders will also be arrived at shortly.

DIVIDEND

Your Directors are unable to recommend any dividend for the year ended 31.03.2004.

DIRECTORS

Shri. Shankarlal G. Mittal will retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions contained in Section 217 (2AA) of the Companies Act, 1956, the Directors of your company confirm :

- A. That in the preparation of the annual accounts, the applicable accounting standard have been followed and no material departures have been made from the same.
- B. That they have selected such accounting policies and applied them consistently and made judgements 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 the end of the financial year and of the profit or loss of the Company for that period.
- C. That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities.
- D. That they have prepared the annual accounts on a going concern basis.


AURANGABAD PAPER MILLS LIMITED
AUDIT COMMITTEE

Your Company has not constituted Audit Committee as required under the provisions of Section 292A of the Companies Act, 1956, as the Company has not been carrying out any activities.

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, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING/OUTGO

Since the Company has not carried out any activities falling within the purview of 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 the information may be treated as nil.

LISTING OF SHARES

The Equity Shares of your company continue to be listed in Bombay Stock Exchange and your Company has paid the Annual Listing fee for the year 2004-2005. The shares of your company are brought under the compulsory dematerialisation and accordingly, the company has entered into Agreement with the NSDL and CDSL

AUDITORS REPORT

The Report of the Auditors on the Account is self explanatory and needs no explanation.

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 for the ensuing financial year 2004-05, and also fix their remuneration.

ACKNOWLEDGEMENT

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

Regd. Off. : M.I.D.C Paithan,
By Order of the Board
Dist. Aurangabad : 431 148.
Maharashtra
Date : 29th September, 2004