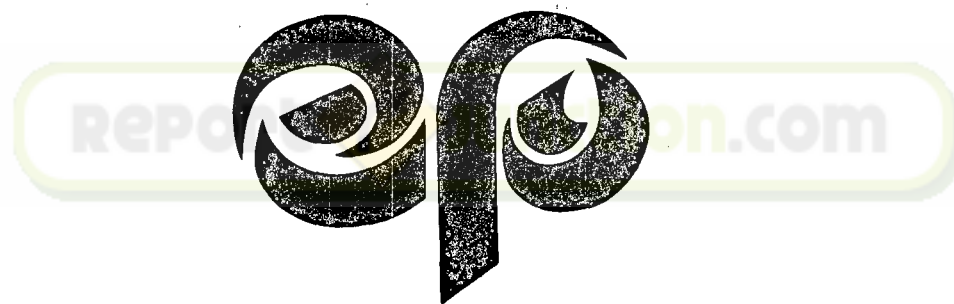


ELLORA PAPER MILLS LIMITED

YE change

AND	✓				FIN	NA
CS	✓				DPY	NA
RC	✓				DIV	NA
TFA	NA				AC	✓
AGM	✓	-			SHI	✓
YE	✓	-				



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**Ellora
Paper Mills
Limited**

BOARD OF DIRECTORS

Shri V. Dixit	Chairman
Shri C. P. Goenka	Managing Director
Shri Sudhir Goenka	Executive Director
Shri Sunil Goenka	
Shri Sandeep C. Goenka	

CHIEF EXECUTIVE (FINANCE)

Shri Sreehari Chava

AUDITORS

M/s. Loya Bagri & Company
Chartered Accountants

BANKERS

State Bank of India
Union Bank of India
Indian Bank

REGISTERED OFFICE

379, Pandit Jawaharlal Nehru Marg,
Ashoka Vault Building, Sitabuldi,
Nagpur - 400 012.

FACTORY

At Village : Devada Khurd, Tumsar,
Dist. Bhandara (Maharashtra)



**Ellora
Paper Mills
Limited**

NOTICE

Notice is hereby given that the Twenty Third Annual General Meeting of the Members of Ellora Paper Mills Limited will be held on Friday 25th September, 1998 at 3.30 p.m. at Hotel Hardeo, Sitabuldi, Nagpur, to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 1998 and the Balance Sheet as at that date together with reports of Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. C. P. Goenka, who retires by rotation and is eligible for reappointment.
3. To appoint a Director in the place of Mr. Sudhir Goenka, who retires by rotation and is eligible for reappointment.
4. To appoint Auditors and fix their remuneration :
The retiring Auditors M/s. Loya Bagri & Co. are not seeking reappointment as Auditors.

The company has received a Special Notice from some members Under Section 225 (1) of the Companies Act, 1956 signifying their intention to move the following Resolution as a Special Resolution :

"RESOLVED THAT, M/s. Bhattad Rathi & Company, Chartered Accountants, Nagpur be and are hereby appointed as Auditors of the Company in the place of the retiring Auditors from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting of the Company at a remuneration to be fixed by the Board of Directors."

SPECIAL BUSINESS

5. Issue of Shares

To consider and if thought fit, to pass, with or without modification, the following resolution as a Special Resolution :

" RESOLVED THAT, pursuant to Articles 3 (b) & 3 (c) of the Articles of Association of the Company and Sub-Section (IA) of Section 81 and other applicable provisions, if any of the Companies Act, 1956 (1 of 1956) and notwithstanding anything contained in Sub-Section (1) of Section 81 of the Companies Act, 1956 and subject to the approval, if any, required of any regulatory agencies in this regard the consent of the Company be and is hereby accorded to the Board of Directors of the Company to offer, to issue on behalf of the Company and to allot Equity Shares and/or Securities convertible into Equity Shares for an amount not exceeding Rs. 125 lakhs (Rupee One Hundred Twenty Five Lacs only) in the aggregate including premium in such manner and upon such terms and conditions and to such persons and/or institutions as the Directors may consider appropriate in their absolute discretion and without prejudice to the generality hereof, such issue of capital may be made either by way of a rights issue to the members of the Company or by way of Public Issue or by way of Private Placement, or by way of Preferential allotment or reservations or in any one or more or a combination of the above modes, methods or otherwise as the Directors may consider to be in the best interest of the Company and the Directors be and are hereby authorised to invite application forms from the intending applicants and to do all such other acts, deeds and things as may be required for the purpose."

"RESOLVED FURTHER THAT, Mr. C. P. Goenka, Managing Director, or Mr. Sudhir Goenka, Executive Director, or Mr. Sunil Goenka Director, or Mr. Sandeep Goenka, Director of the Company be and are hereby authorised to take necessary steps to give effect to the above resolution."

By Order of the Board
For **ELLORA PAPER MILLS LIMITED**

Nagpur
28th August, 1998

SUDHIR GOENKA
Executive Director

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NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Explanatory Statement pursuant to section 173 of the Companies Act, 1956 in respect of business under items No. 4 & 5 is annexed hereto.
3. Members are requested to notify immediately the change, if any, in their registered address.
4. Members are requested to bring their copy of the Annunal Report to the Annual General Meeting.

ANNEXURE TO THE NOTICE

Explanatory Statement Pursuant to Section 173 (2) of the Companies Act, 1956 :

As required by Section 173 of the Companies Act 1956, the following Explanatory statement sets out all material facts relating to the business mentioned under item Nos. 4 to 5 of the accompanying Notice dated 28th August, 1998.

Item No. 4

In terms of Section 224A of the Companies Act, 1956, in case of a Company in which not less than twenty five percent of the subscribed share capital is held (whether singly or in any combination) by the Public Financial Institutions, the appointment of Auditors at each Annual General Meeting shall be made by Special Resolution. The Shareholdings of Industrial Development Bank of India, The Industrial Credit and Investment Corporation of India Limited and Industrial Finance Corporation of India Limited in the subscribed share capital of the Company exceeds twenty-five percent. Accordingly, a Special Resolution for the appointment of M/s. Bhattad Rathni & Co., Chartered Accountants as Auditors of the Company has ben proposed,

None of the Directors of the Company are concerned or interested in the Resolution.

item No. 5

The Company is in the process of implemeting a Project of Modernisation, with an estimated cost of Rs. 400 lakhs. In order to enable the Board of Directors to raise the finances required for the said project the delegation of due powers to the Board under section 81 and other related provisions of the Companies Act, 1956 is necessary.

The proposal is in the interest of the Company and its shareholders and hence the Board recommends the approval of the resolutions by the members at the Annunal General Meeting.

None of the Directors of the Company are interested in the resolutions, except to the extent of their respective shareholdings as share holders of the Company.

By Order of the Board
For **ELLORA PAPER MILLS LIMITED**

SUDHIR GOENKA
Executive Director

Nagpur
28th August, 1998



**Ellora
Paper Mills
Limited**

REPORT OF THE BOARD OF DIRECTORS TO THE MEMBERS

1. Presentation

Your directors have pleasure in presenting the Annual Report for 1997-98 together with audited accounts for the year ended 31st March, 1998.

2. Financial Results

The financial results of the operations for the year under review are as follows :

	(Rs. in Lakhs)	
Particulars	1997-98	1996-97
Sales	1567.21	1632.44
Sales Quantity (M.T)	7803	6686
Profit Before Interest Depreciation and Tax	125.99	94.53
Less : Interest	67.43	62.43
Depreciation	25.18	24.81
Profit Before Tax	33.38	7.29
Less : Provision for Taxation	4.00	0.77
Profit After Tax	29.38	6.52
Add : Excess Provision of earlier years written back	105.01	101.65
	134.39	108.17
Add/(Deduct) : Profit /(Loss) brought forward from previous year	(56.51)	(164.68)
Profit/(Loss) carried forward to Balance Sheet.	77.88	(56.51)

3. Operations

Your Company has posted a growth of 16.71% in Sales in terms of quantity. The Profit After Tax has increased from Rs. 6.52 lakhs in 1996-97 to 29.38 lakhs in 1997-98. The Company has been able to maintain similar trend of performance during the current year too.

4. Modernisation

Your Company has launched a four crore modernization plan, phased over a period of two years. The modernisation is expected to have the dual impact of cost reduction and quality improvement. The modernisation includes technological improvement by adoption of latest Japanese technology to manufacture superior grade of writing and printing paper and installation of captive co-generation system.

5. Fixed Deposits

The Company has not accepted any fixed deposits from the public during the year ended on 31st March, 1998.

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6. Safety and pollution Control

The Company continues to give top priority to safety and pollution control aspects. It has strictly been following the requisite guidelines as received from Pollution Control Board from time to time.

7. Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings & Outgo

Information in accordance with the provisions of section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, regarding Energy Conservation, Technology Absorption and Foreign Exchange Earnings & Outgo is given in the annexure forming part of this Report.

8. Particulars of Employees

The Company had no employee covered under section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

9. Directors

Mr. C. P. Goenka and Mr. Sudhir Goenka retire by rotation and being eligible offer themselves for reappointment.

Life Insurance Corporation of India withdrew its nominee director Mr. M. D. Vaidya from the Board of Directors of the Company with effect from 16th May, 1998. Your Directors place on record their appreciation for the valuable services rendered by Mr. Vaidya to the Company during his tenure as a director of the Company.

10. Auditors

Members are requested to appoint auditors for the current year and fix their remuneration. The retiring auditors M/s. Loya Bagri & Co., Chartered Accountants, do not seek reappointment. A special notice under section 225 (1) of the Companies Act, 1956 has been received from some members signifying their intention to propose appointment of M/s. Bhattad Rathi & Co., Chartered Accountants, as auditors. As required under section 224 of the Companies Act, 1956 certificate has been received from M/s. Bhattad Rathi & Co. to the effect that their appointment, if made will be in accordance with the limits specified in the section 224 (1B) of the Companies Act, 1956. As required under section 224 A of the Companies Act, 1956, a Special Resolution is being placed for consideration of the members for their appointment.

As regards the observations of the Auditors in the Auditors' Report, the relevant notes on the accounts are self explanatory.

11. Cost Audit

The Cost Audit of the Cost Accounts of the Company for the year ended on 31st March, 1998 is being carried out by Mr. V. B. Limaye, Cost Accountant, Nagpur. He will be submitting his report on completion of the audit to the Company Law Board as required under the relevant rules.

12. Acknowledgements

Your Directors express their gratitude to the Government of India, Government of Maharashtra, Financial Institutions, Bankers and Valued Customers for their continuing goodwill and support to the Company.

Your Directors wish to place on record their deep appreciation for the dedication and loyalty shown by the officers, staff members and workers of the Company. Your Directors sincerely acknowledge the continued trust and confidence you, the shareholders, have placed in the Company.

For and on behalf of the Board

Nagpur
28th August, 1998

V. DIXIT
Chairman



**Ellora
Paper Mills
Limited**

ANNEXURE TO THE DIRECTORS' REPORT

Information as required under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 :

I. CONSERVATION OF ENERGY :

- (a) Energy Conservation Measures taken : and
- (b) Additional investments and proposals for reduction of conservation of energy :
Continuous efforts are made to conserve energy.
- (c) Impact of measures taken at (a) & (b) :
Overall savings in cost of production.
- (d) Energy consumption in total and per unit of production in form 'A'

FORM - A

Form for disclosure of particulars with respect to conservation of energy :

		1997-98	1996-97
(A) Power and Fuel Consumption			
1. Electricity			
a) Purchased Units	KWH	72,10,957	77,69,692
Total Cost	Rs. In Lacs	253.09	257.99
Rate / Unit	Rs./KWH	3.51	3.32
b) Own Generation		NIL	NIL
2. Coal (Grade B, C or ROM depending upon availability)			
Quantity	M.T.	32	4,130
Total Cost	Rs. In Lacs	0.87	49.53
Average Rate	Rs./MT	2,719	1,199
3. Furnance Oil		NIL	NIL
4. Others/Internal Generation			
a) Rice Husk			
Quantity	M.T.	7,952	3,729
Total Cost	Rs. In Lacs	45.01	20.87
Average Rate	Rs./MT	566	560