

ELLORA PAPER MILLS LIMITED



**27th Annual Report
2001 - 2002**

BOARD OF DIRECTORS

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

CHIEF EXECUTIVE

Shri Sreehari Chava

AUDITORS

Bhattad Rathi & Co.
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 - 440 012

FACTORY

Village : Dewada Khurd, Tumsar
Dist. Bhandara, Maharashtra

**NOTICE**

Notice is hereby given that the Twenty Seventh Annual General Meeting of the Members of Ellora Paper Mills Limited will be held on Tuesday, the 6th August, 2002 at 3.00 p.m. at 379, Pandit Jawaharlal Nehru Marg, Sitabuldi, Nagpur- 440 012, to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended on 31st March, 2002 and the Balance Sheet as at that date together with reports of Directors and Auditors thereon.
2. To appoint a director in place of Mr. V. Dixit, who retires by rotation and is eligible for reappointment.
3. To appoint a director in place of Mr. Sandeep Goenka, who retires by rotation and is eligible for reappointment.
4. To appoint Auditors and fix their remuneration:
To consider and if thought fit, to pass, with or without modification, 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 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 Companies Act, 1956 (1 of 1956) and notwithstanding anything contained in Sub-Section (1) of Section 81 of the Companies Act, 1956, and any regulatory agencies as specified in this regard, the consent of the members be and is hereby accorded 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 (Rs. One hundred and twenty five lakhs 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 of 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, and/or Mr. Sudhir Goenka Executive Director and/or Mr. Sunil Goenka, Director and/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
30th May, 2002

Sudhir Goenka
Executive Director

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 register of members of the Company will remain closed from 05.08.2002 to 06.08.2002.
3. The Explanatory Statement pursuant to section 173 of the Companies Act, 1956 in respect of business under items No. 4 & 5 is annexed hereto.
4. Members are requested to notify immediately the change, if any, in their registered address.
5. Members are requested to bring their copy of the Annual 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 items Number 4 and 5 of the accompanying notice dated 30th May 2002.

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, 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 Rathi & Co., Chartered Accountants, as Auditors of the Company has been proposed. None of the directors of the Company are interested in the resolution, except to the extent of their respective shareholdings as share holders of the Company.

Item No. 5

The Company is in the process of implementing a Project of Modernisation, with an estimated cost of Rs.600 lakhs. In order to enable the Board of Directors to raise the finances required for the said project the delegation of appropriate 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 share holders and hence the Board recommends the approval of the resolutions by the members at the Annual General Meeting. None of the directors of the Company are interested in the resolution, except to the extent of their respective shareholdings as share holders of the Company.

By Order of the Board
For Ellora Paper Mills Limited

Nagpur
30th May, 2002

Sudhir Goenka
Executive Director



REPORT OF THE BOARD OF DIRECTORS TO THE MEMBERS

1. **Presentation**

Your directors have pleasure in presenting the Annual Report for 2001-02 together with the Audited Accounts for the year ended on 31st March, 2002.

2. **Financial Results**

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

Rs. in lakhs

Particulars	2001-02	2000-01
Sales	2399.76	2308.49
Sales Quantity (M.T.)	10125	9392
Profit Before Interest Depreciation and Tax	229.16	183.70
Less : Interest	60.10	53.77
Depreciation	50.11	39.59
Profit Before Tax	118.95	90.34
Less : Provision for Taxation - Current	18.00	15.00
Profit After Tax	100.95	75.34
Deduct: Deferred Tax Liability	18.86	--
Deduct: Prior Period Adjustments	15.88	--
Add: Profit brought forward from previous year	257.32	181.98
Profit carried forward to Balance Sheet	323.53	257.32

3. **Operations**

The Profit After Tax has increased to Rs. 100.95 lakhs in 2001-02 from Rs. 75.34 lakhs in 2000-01. The Company is able to maintain similar trend of performance during the current year too.

4. **Modernisation cum Expansion**

Your Company launched a six crore modernization cum expansion plan in the year 1998-99 with a view to achieve the dual impact of cost reduction and quality improvement. The Company has invested, during & upto the year under review, more than Rs. 4.00 crores, towards the said expansion cum modernisation plan. The Company, with this investment, has accomplished technological improvement by adoption of latest Japanese technology to manufacture superior grade of writing and printing paper. It has also installed EDP based Energy Savings & Quality Control Systems.

5. **Fixed Deposits**

The Company has not accepted any fixed deposits from the public during the year ended on 31st March 2002.

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 has no employees covered under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.



9. Directors' Responsibility Statement

The Directors affirm (a) that in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures; (b) that the directors had 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 and loss of the company for that period; (c) that the directors have taken proper and sufficient care for the 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; and (d) that the directors have prepared the annual accounts on a going concern basis.

10. Directors

Mr. V. Dixit and Mr. Sandeep Goenka retire by rotation and being eligible offer themselves for reappointment.

11. Auditors

Members are requested to appoint auditors for the current year and fix their remuneration. The retiring auditors M/s Bhattad Rathi & Co., Chartered Accountants, are eligible for reappointment. 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 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.

12. Cost Audit

The Cost Audit of the Cost Accounts of the Company for the year ended on 31st March, 2002 is being carried out by M/s G.R. Paliwal & Co, Cost Accountants, Nagpur. They will be submitting their report on completion of the audit to the Company Law Board as required under the relevant rules.

13. Listing of Shares

The Equity Shares of the Company are listed on The Stock Exchange, Mumbai, and the Company has paid the annual listing fees for the financial year 2002-2003.

14. 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
30th May, 2002

V. Dixit
Chairman



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 :
 (b) Additional investments and proposals for reduction of conservation of energy :
 (c) Impact of measures taken at (a) & (b) : Overall savings in the cost of production at least by five per cent
 (d) Energy consumption in total and per unit of production in form "A".

EDP based Energy Savings & Quality Control
 Systems at a cost of Rs. 1.25 Crore have been
 installed

FORM - A

Form for disclosure of particulars with respect to conservation of energy

2001-2002

2000-2001

(A) Power and Fuel Consumption

1 Electricity			
a. Purchased Units	KWH	9075490	8272216
Total Cost	Rs.in Lacs	329.24	312.87
Rate / Unit	Rs./KWH	3.63	3.78
b. Own Generation		NIL	NIL
2 Coal (Grade B,C or ROM depending upon availability)			
Quantity	M.T.	856	1296
Total Cost	Rs.in Lacs	14.28	19.61
Average Rate	Rs./MT	1667	1513
3 Furnace Oil		NIL	NIL
4 Others / Internal Generation Rice Husk			
Quantity	M.T.	7224	7171
Total Cost	Rs.in Lacs	35.33	37.17
Average Rate	Rs./MT	489	518

(B) Consumption per unit of production - Paper (M.T.)

Particulars	Unit	2001-2002	2000-2001
Electricity	KWH	881	937
Furnace Oil	M.T.	NIL	NIL
Coal	M.T.	0.083	0.147
Rice Husk	M.T.	0.701	0.813

II TECHNOLOGY ABSORPTION

- a. Research & Development (R & D) The Company has no separate R & D Department
 b. Absorption of Technology The Company has not imported any technology

III FOREIGN EXCHANGE EARNING AND OUTGO (Rs.in Lacs)

	2001-2002	2000-2001
a. Foreign Exchange Earnings	NIL	NIL
b. Foreign Exchange Outgo	123.98	127.65

For and on behalf of the Board

Nagpur
 30th May 2002

V. DIXIT
 Chairman