

ELLORA PAPER MILLS LIMITED



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28th Annual Report 2002 - 2003

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 Goenka | | |

CHIEF EXECUTIVE

Shri Sreehari Chava

AUDITORS

Bhattad Rathl & Co.
Chartered Accountants

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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

ELLORA PAPER MILLS LIMITED**NOTICE**

Notice is hereby given that the Twenty Eight Annual General Meeting of the Members of Ellora Paper Mills Limited will be held on Monday, the 11th August, 2003 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, 2003 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. Sunil Goenka, who retires by rotation and is eligible for reappointment.
3. 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."

By Order of the Board
 For Ellora Paper Mills Limited

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Nagpur
 29th May, 2003

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 30.07.2003 to 31.07.2003.
3. The Explanatory Statement pursuant to section 173 of the Companies Act, 1956 in respect of business under items No. 3 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.

ELLORA PAPER MILLS LIMITED

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 Number 3 of the accompanying notice dated 29th May 2003.

Item No. 3

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.

By Order of the Board
For **Ellora Paper Mills Limited**

Nagpur
29th May, 2003

Sudhir Goenka
Executive Director

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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 2002-03 together with the Audited Accounts for the year ended on 31st March, 2003.

2. Financial Results

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

| Particulars | Rs. in lakhs | |
|--|--------------|---------|
| | 2002-03 | 2001-02 |
| Sales | 2613.03 | 2399.76 |
| Profit Before Interest Depreciation and Tax | 191.22 | 229.17 |
| Less : Interest | 44.96 | 60.11 |
| Depreciation | 51.20 | 50.11 |
| Profit Before Tax | 95.06 | 118.95 |
| Less : Provision for Taxation - Current | 25.00 | 18.00 |
| Profit After Tax | 70.06 | 100.95 |
| Deduct: Deferred Tax Liability | 5.03 | 18.86 |
| Deduct: Prior Period Adjustments | 24.69 | 15.88 |
| Add: Profit brought forward from previous year | 323.54 | 257.33 |
| Profit carried forward to Balance Sheet | 363.88 | 323.54 |

3. Operations

In order to carry out the final phase of the on going modernization cum expansion programme, the Company has undertaken a planned shut of 35 days during the year i.e. 25 days in September/ October 2002 and 10 days in March 2003. The resultant reduction in production has affected the profit for the year and the Profit after Tax for 2002-03 has declined to Rs.70.06 lakhs from Rs.100.95 lakhs in 2001-02. The Company, however, is able to arrest the trend of decline and hopes to achieve a growth oriented performance during the current year.

4. Modernisation cum Expansion

Your Company launched a Rs. 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.5.00 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. It is now in the process of installing a cogeneration plant of 1.5MW.

5. Fixed Deposits

The Company has not accepted any fixed deposits from the public during the year ended on 31st March 2003.

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 A" 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.

ELLORA PAPER MILLS LIMITED**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. Sunil Goenka retires by rotation and being eligible offers himself 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, 2003 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 2003-2004.

14. Secretarial Compliance Certificate

Pursuant to section 383A of the Companies Act, 1956, a secretarial compliance certificate is furnished as "Annexure B" forming part of this Report.

15. 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
29th May, 2003

V. Dixit
Chairman

ELLORA PAPER MILLS LIMITED**ANNEXURE 'A' 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 : } Cogeneration Plant at an estimated cost of 2.50 crores is being installed.
 (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".

FORM - A

Form for disclosure of particulars with respect to conservation of energy

2002-2003**2001-2002****(A) Power and Fuel Consumption**

| | | | | |
|----|--|------------|---------|---------|
| 1 | Electricity | | | |
| a. | Purchased Units | KWH | 8766508 | 9075490 |
| | Total Cost | Rs.in Lacs | 306.14 | 329.24 |
| | Rate / Unit | Rs./KWH | 3.49 | 3.63 |
| b. | Own Generation | | NIL | NIL |
| 2 | Coal (Grade B,C or ROM depending upon availability) | | | |
| | Quantity | M.T. | 1471 | 856 |
| | Total Cost | Rs.in Lacs | 23.87 | 14.28 |
| | Average Rate | Rs./MT | 1622 | 1667 |
| 3 | Furnance Oil | | NIL | NIL |
| 4 | Others / Internal Generation | | | |
| | Rice Husk | | | |
| | Quantity | M.T. | 6227 | 7224 |
| | Total Cost | Rs.in Lacs | 31.94 | 35.33 |
| | Average Rate | Rs./MT | 513 | 489 |

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

| Particulars | Unit | 2002-2003 | 2001-2002 |
|-------------|------|-----------|-----------|
| Electricity | KWH | 901 | 881 |
| Furnace Oil | M.T. | NIL | NIL |
| Coal | M.T. | 0.15 | 0.083 |
| Rice Husk | M.T. | 0.64 | 0.701 |

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)**2002-2003****2001-2002**

- a. Foreign Exchange Earnings 46.72 NIL
 b. Foreign Exchange Outgo 139.39 123.98

For and on behalf of the Board

Nagpur
29th May 2003V.DIXIT
Chairman

ELLORA PAPER MILLS LIMITED**ANNEXURE 'B' TO THE DIRECTORS' REPORT
SECRETARIAL COMPLIANCE CERTIFICATE****TO THE MEMBERS OF ELLORA PAPER MILLS LIMITED**

Company Registration Number: 11 - 019972

Nominal Share Capital : Rs. 300 Lacs

Paid-up Share Capital : Rs. 175 Lacs

We have examined the registers, records, books and papers of Ellora Paper Mills Limited as required to be maintained under the Companies Act, 1956, and the rules made there under and also the provisions contained in the memorandum and articles of association of the company for the financial year ended on 31st March, 2003. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The company, being a public limited company, comments are not required.
4. The Board of Directors duly met eight times on 20th April 2002, 30th May 2002, 21st June 2002, 30th July 2002, 7th October 2002, 31st October 2002, 31st January 2003 and 20th February 2003 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed.
5. The company closed its register of members from 5th August 2002 to 6th August 2002 (both days inclusive) and necessary compliance of section 154 of the Act has been made. However, there is no debenture-holder of the company.
6. The annual general meeting for the financial year ended on 31st March, 2002 was held on 6th August, 2002 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in minutes book maintained for the purpose.
7. No extra-ordinary general meeting was held during the financial year.
8. The company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
9. The company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The company was not required to make any entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the company has not obtained any approvals from the board of directors, members or the central government.
12. The company has not issued any duplicate share certificates during the financial year.
13. (i) The company has delivered all the share certificates on lodgment thereof for transfer/ transmission in accordance with the provisions of the Act. However, there was no allotment of securities during the financial year.
- (ii) The company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
- (iii) The company was not required to post warrants to any member of the company as no dividend was declared during the financial year.
- (iv) The company was not required to transfer any amount to investor education and protection fund as there were no outstanding balances in unpaid dividend account or application money due for refund or matured deposits or matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years.
- (v) The company has duly complied with the requirements of section 217 of the Act.