

ELLORA PAPER MILLS LIMITED



**29th Annual Report
2003 - 2004**

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 Rathi & Co.

Chartered Accountants

BANKERS

State Bank of India

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 Ninth Annual General Meeting of the Members of Ellora Paper Mills Limited will be held on Saturday, the 7th August, 2004 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, 2004 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. C.P. Goenka, who retires by rotation and is eligible for reappointment.
3. To appoint a director in place of Mr. Sudhir 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."

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By Order of the Board
For Ellora Paper Mills Limited

Nagpur
5th June, 2004

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 06.08.2004 to 07.08.2004.
3. The Explanatory Statement pursuant to section 173 of the Companies Act, 1956 in respect of business under items No. 4 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 4 of the accompanying notice dated 5th June 2004.

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 exceed 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
5th June, 2004

Sudhir Goenka
Executive Director

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REPORT OF THE BOARD OF DIRECTORS TO THE MEMBERS

1. **Presentation**

Your directors have pleasure in presenting the Annual Report for 2003-04 together with the Audited Accounts for the year ended on 31st March, 2004.

2. **Financial Results**

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

Rs. in lakhs		
Particulars	2003-04	2002-03
Sales	3542.92	2613.03
Profit Before Interest Depreciation and Tax	229.30	191.22
Less : Interest	57.50	44.96
Depreciation	52.30	51.20
Profit Before Tax	119.50	95.06
Less : Provision for Taxation - Current	9.00	25.00
Profit After Tax	110.50	70.06
Deduct : Deferred Tax Liability	34.19	5.03
Deduct : Prior Period Adjustments	6.73	24.69
Add : Profit brought forward from previous year	363.88	323.54
Profit carried forward to Balance Sheet	433.46	363.88

3. **Operations**

The Profit after Tax (Current) has increased to Rs.110.50 lakhs in 2003-04 from Rs.70.06 lakhs in 2002-03. The Company is able to maintain similar trend of performance during the current year too.

4. **Modernisation cum Expansion**

Your Company launched a Rs.seven 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, 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. The cogeneration plant of 1.5MW is slated for commencement in the first fortnight of June 2004.

5. **Fixed Deposits**

The Company has not accepted any fixed deposits from the public during the year ended on 31st March 2004.

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 "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. C.P. Goenka and Mr. Sudhir 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, 2004 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 2004-2005.

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
5th June, 2004

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

		2003-2004	2002-2003
(A) Power and Fuel Consumption			
1 Electricity			
a. Purchased Units	KWH	9818159	8766508
Total Cost	Rs.in Lacs	335.06	306.14
Rate / Unit	Rs./KWH	3.41	3.49
b. Own Generation		NIL	NIL
2 Coal (Grade B,C or ROM depending upon availability)			
Quantity	M.T.	646	1471
Total Cost	Rs.in Lacs	11.26	23.87
Average Rate	Rs./MT	1743	1622
3 Furnance Oil		NIL	NIL
4 Others / Internal Generation			
Rice Husk			
Quantity	M.T.	7704	6227
Total Cost	Rs.in Lacs	40.07	31.94
Average Rate	Rs./MT	520	513
(B) Consumption per unit of production - Paper (M.T.)			
Particulars	Unit	2003-2004	2002-2003
Electricity	KWH	919	901
Furnace Oil	M.T.	NIL	NIL
Coal	M.T.	0.06	0.15
Rice Husk	M.T.	0.72	0.64

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)

	2003-2004	2002-2003
a. Foreign Exchange Earnings	41.97	46.72
b. Foreign Exchange Outgo	226.30	139.39

For and on behalf of the Board

Nagpur
5th June, 2004

V. Dixit
Chairman

ELLORA PAPER MILLS LIMITED

**ANNEXURE 'B' TO THE DIRECTORS' REPORT
COMPLIANCE CERTIFICATE**

TO THE MEMBERS OF ELLORA PAPER MILLS LIMITED

Company Registration Number: 11 - 019972

Nominal Share Capital : Rs. 3,00,00,000/-

Paid-up Share Capital : Rs. 1,99,36,750/-

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, 2004**. 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 public limited company, comments are not required.
4. The Board of Directors duly met **Nine (9)** times on **29th May 2003, 14th June 2003, 17th July 2003, 30th July 2003, 31st July 2003, 25th August 2003, 30th November 2003, 31st January 2004 and 16th March 2003** in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minute book maintained for the purpose.
5. The company **has closed** its register of members from **30th July 2003 to 31st July 2003** after complying with the provisions of the Act and there is **no** debenture holder of the company.
6. The annual general meeting for the financial year ended on **31st March, 2003** was held on **11th August 2003** 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** duly complied with the provisions of section 297 of the Act in respect of specified contracts.
10. The company **has** made necessary 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 was **not** required to obtain 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 share certificates on allotment of shares and lodgment thereof for transfer or transmission of shares in accordance with the provisions of the Act during the financial year.
 - (ii) The company was **not** required to deposit 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 members 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.