

ELLORA PAPER MILLS LIMITED



**31st Annual Report
2005 - 2006**

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

Dr. Sreehari Chava

AUDITORS

Bhattad Rathi & Co.

Chartered Accountants

BANKERS

State Bank of India

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R&T Agent

Bigshare Services Private Limited

E-2/3, Ansa Industrial Estate, Sakivihar Road

Sakinaka, Andheri (E), Mumbai - 400 0752

REGISTERED OFFICE

379, Pandit Jawaharlal Nehru Marg

Ashoka Vault Building, Sitabuldi

Nagpur - 440 012

FACTORY

Village : Dewada Khurd, Turnsar

Dist. Bhandara; **State :** Maharashtra

Pin : 441912

NOTICE

Notice is hereby given that the Thirtyfirst Annual General Meeting of the Members of Ellora Paper Mills Limited will be held on Monday, the 25th September, 2006, 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, 2006 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

Nagpur
2nd June, 2006

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 23.08.2006 to 25.08.2006.
3. The Explanatory Statement pursuant to section 173 (2) of the Companies Act, 1956, in respect of business under item 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.

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 2nd June 2006.

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 or Banks, 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, Industrial Finance Corporation of India Limited and United Bank of India 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
2nd June, 2006

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 2005-06 together with the Audited Accounts for the year ended on 31st March, 2006.

2. **Financial Results**

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

Rs. in lakhs

Particulars	2005-06	2004-05
Sales	4638.07	3734.95
Profit Before Interest Depreciation and Tax	359.35	262.87
Less : Interest	66.32	66.77
Depreciation	74.72	60.68
Profit Before Tax	218.31	135.42
Less : Provision for Taxation - Current	24.25	11.00
Profit After Tax	194.06	124.42
Deduct : Deferred Tax Liability	25.20	60.81
Add / (Deduct) : Prior Period Adjustments	(3.00)	10.90
Add : Profit brought forward from previous year	432.91	358.41
Profit Available for Appropriation	598.77	432.91
Deduct : Proposed Dividend	23.92	
Dividend Tax	3.36	
Transfer to General Reserve	19.41	
Profit carried forward to Balance Sheet	552.08	432.91

3. **Operations**

The Profit after Tax (Current) has increased to Rs.194.06 lakhs in 2005-06 from Rs.124.42 lakhs in 2004-05. The Company is able to maintain similar trend of performance during the current year too.

4. **Dividend**

In view of the stable results achieved over the years, the Board of Directors propose a maiden dividend of 12% (Rs.1.20 per share of Rs.10/- each) for the financial year 2005-06.

5. **Fixed Deposits**

The Company has accepted fixed deposits from the public during the year ended on 31st March 2006 and complied with the relevant provisions of the Company Law.

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.

ELLORA PAPER MILLS LIMITED**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. 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, 2006, 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. They are also dematerialised and made live in the CDSL system on 4th May 2006.

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, 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
2nd June, 2006

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 has been installed.
 (c) Impact of measures taken at (a) & (b) : Overall savings in the cost of production by 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

2005-2006**2004-2005****(A) Power and Fuel Consumption**

1	Electricity			
a.	Purchased Units	KWH	2858163	7605284
	Total Cost	Rs.in Lacs	123.95	253.23
	Rate / Unit	Rs./KWH	4.29	3.33
b.	Own Generation	KWH	8157878	3657140
2	Coal (Grade B,C or ROM depending upon availability)			
	Quantity	M.T.	554	1453
	Total Cost	Rs.in Lacs	13.89	34.40
	Average Rate	Rs./MT	2507	2269
3	Furnance Oil		NIL	NIL
4	Others / Internal Generation			
	Rice Husk			
	Quantity	M.T.	20893	12374
	Total Cost	Rs.in Lacs	196.61	80.43
	Average Rate	Rs./MT	941	647

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

Particulars	Unit	2005-2006	2004-2005
Electricity	KWH	943	1047
Furnace Oil	M.T.	NIL	NIL
Coal	M.T.	0.05	0.14
Rice Husk	M.T.	1.79	1.15

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 EARNINGS AND OUTGO (Rs.in Lacs)**2005-2006****2004-2005**

a. Foreign Exchange Earnings	90.82	151.89
b. Foreign Exchange Outgo	604.21	479.19

For and on behalf of the Board

Nagpur
2nd June, 2006V. Dixit
Chairman

**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, 2006. 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 Seven (7) times on 16th May 2005, 30th July 2005, 28th September 2005, 29th November 2005, 14th January 2006, 31st January 2006 and 15th February 2006 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 15th September 2005 to 16th September 2005 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, 2005 was held on 16th September, 2005 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 lodgment thereof for transfer or transmission of shares in accordance with the provisions of the Act during the financial year. However there was no allotment of shares 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.

14. The Board of Directors of the company is duly constituted. There was no appointment / resignation of directors, alternate directors and directors to fill casual vacancies during the financial year.
15. The company has not appointed any Managing Director / Whole-time Director / Manager during the financial year.
16. The company has not appointed any sole-selling agents during the financial year.
17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies or such other authorities as prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms / companies to the board of directors pursuant to the provisions of the Act and the rules made there under.
19. The company has not issued any shares, debentures or other securities during the financial year.
20. The company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year, as the company has not issued any preference shares or debentures.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The company has accepted deposits falling within the purview of sections 58A of the Act during the financial year and complied with the relevant provisions except filing of documents.
24. The amount borrowed by the company from directors, members, public, financial institutions, banks and others during the financial year ending on 31st March 2006 is within the borrowing limits of the company and that necessary resolutions as per section 293(1)(d) of the Act have been passed in duly convened general meeting.
25. The Company has made loans and investments to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
28. The company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.
29. The company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
30. The company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notice(s) received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
32. The company has not received any money as security from its employees during the year under certification.
33. The company has regularly deposited Provident Fund Amount. As such, the Company has not constituted any specific fund / trust for the said purpose and hence, the provisions of section 418 of the Act are not applicable.

Nagpur
2nd June 2006

V. Ramachandran
Company Secretary

Encl: Annexure 'A' & 'B'