

# **ELLORA PAPER MILLS LIMITED**



**32nd Annual Report  
2006 - 2007**

**BOARD OF DIRECTORS**

<b>Shri V. Dixit</b>	:	Chairman
<b>Shri C. P. Goenka</b>	:	Managing Director
<b>Shri Sudhir Goenka</b>	:	Executive Director
<b>Shri Sunil Goenka</b>	:	Director
<b>Shri Sandeep Goenka</b>	:	Director

**CHIEF EXECUTIVE****Dr. Sreehari Chava****AUDITORS****Bhattad Rathi & Co.**

Chartered Accountants

**BANKERS**

State Bank of India

**R&T Agent**

Bigshare Services Private Limited

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

Sakinaka, Andheri (E), Mumbai - 400 072

**REGISTERED OFFICE**

379, Pandit Jawaharlal Nehru Marg

Ashoka Vault Building, Sitabuldi

Nagpur - 440 012

**FACTORY****Village :** Dewada Khurd, Tumsar**Dist.** Bhandara; **State :** Maharashtra**Pin :** 441912

**ELLORA PAPER MILLS LIMITED****NOTICE**

Notice is hereby given that the Thirty Second Annual General Meeting of the Members of Ellora Paper Mills Limited will be held on Tuesday, the 25<sup>th</sup> September, 2007, at 3.00 p.m. at the Registered Office of the Company 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, 2007 and the Balance Sheet as at that date together with reports of Directors and Auditors thereon.
2. To declare Dividend.
3. To appoint a director in place of Mr. V.Dixit, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a director in place of Mr. Sandeep Goenka, who retires by rotation and being eligible offers himself for reappointment.
5. 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  
19<sup>th</sup> May, 2007

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 24.09.2007 to 25.09.2007 (both days inclusive).
3. The dividend, if declared, will be paid to those shareholders of the Company whose names appear in the Register of Members as on 25.09.2007.
4. The Explanatory Statement pursuant to section 173 of the Companies Act, 1956, in respect of business under item No. 5 is annexed hereto.
5. Members are requested to notify immediately the change, if any, in their registered address.
6. 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 5 of the accompanying notice dated 19<sup>th</sup> May 2007.

**Item No. 5**

In terms of Section 224A of the Companies Act, 1956, in case of a Company in which not less than twenty five per cent 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 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 shareholders of the Company.

By Order of the Board  
For Ellora Paper Mills Limited

Nagpur  
19<sup>th</sup> May, 2007

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 2006-07 together with the Audited Accounts for the year ended on 31st March, 2007.

### 2. Financial Results

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

Particulars	Rs. in lakhs	
	2006-07	2005-06
Sales	3687.52	4638.07
Profit Before Interest Depreciation and Tax	375.28	359.35
Less : Interest	66.54	66.32
Depreciation	84.00	74.72
Profit Before Tax	224.74	218.31
Less : Provision for Taxation - Current	24.00	24.25
Profit After Tax	200.74	194.06
Deduct : Deferred Tax Liability	3.59	25.20
Add / (Deduct) : Prior Period Adjustments	1.76	(3.00)
Add : Profit brought forward from previous year	552.08	432.91
Profit Available for Appropriation	750.99	598.77
Deduct : Proposed Dividend	23.92	23.92
Dividend Tax	3.36	3.36
Transfer to General Reserve	20.07	19.41
Profit carried forward to Balance Sheet	703.64	552.08

### 3. Operations

The Profit After Tax (Current) has increased, marginally, to Rs.200.74 lakhs in 2006-07 from Rs. 194.06 lakhs in 2005-06. The performance could have been far better, but for the stagnant sale prices and increasing raw material prices.

### 4. Dividend

In view of the stable results achieved over the years, the Board of Directors has recommended a dividend of 12% (Rs.1.20 per share of Rs.10/- each) for the financial year 2006-07.

### 5. Fixed Deposits

The Company has accepted fixed deposits from the public during the year ended on 31<sup>st</sup> March 2007 and complied with the relevant provisions of the Companies Act, 1956.

### 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.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 31<sup>st</sup> March, 2007, 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 NSDL systems.

### 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  
19<sup>th</sup> May, 2007

V. Dixit  
Chairman

## 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 Rs. 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

		2006-2007	2005-2006
<b>(A) Power and Fuel Consumption</b>			
1 Electricity			
a. Purchased Units	KWH	2513602	2858163
Total Cost	Rs.in Lacs	115.78	123.95
Rate / Unit	Rs./KWH	4.61	4.29
b. Own Generation	KWH	7772616	8157878
2 Coal (Grade B,C or ROM depending upon availability)			
Quantity	M.T.	658	554
Total Cost	Rs.in Lacs	17.19	13.89
Average Rate	Rs./MT	2612	2507
3 Furnance Oil		NIL	NIL
4 Others / Internal Generation			
Rice Husk			
Quantity	M.T.	21570	20893
Total Cost	Rs.in Lacs	225.49	196.61
Average Rate	Rs./MT	1045	941

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

Particulars	Unit	2006-2007	2005-2006
Electricity	KWH	977	943
Furnace Oil	M.T.	NIL	NIL
Coal	M.T.	0.06	0.05
Rice Husk	M.T.	2.05	1.79

## 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)

	2006-2007	2005-2006
a. Foreign Exchange Earnings	38.14	90.82
b. Foreign Exchange Outgo	620.82	604.21

For and on behalf of the Board

Nagpur  
 19<sup>th</sup> May, 2007

V. Dixit  
 Chairman





# ELLORA PAPER MILLS LIMITED

## ANNEXURE 'B' TO THE DIRECTORS' REPORT SECRETARIAL COMPLIANCE CERTIFICATE

**Registration No. of the Company: 11-019972**

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

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

To

**The Members,**

Ellora Paper Mills Limited, Nagpur

I have examined the registers, records, books and papers of ELLORA PAPER MILLS LIMITED ( the Company) as required to be maintained under the Companies Act, 1956, (the Act) 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 31<sup>st</sup> March, 2007 (financial year from 01.04.2006 to 31.03.2007). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company and its officers, I 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 provisions of the Act 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' & 'C' to this certificate, with the Registrar of Companies with additional fees in respect of delayed filing.
3. The Company being a public limited Company, comments are not required
4. The Board of Directors duly met 9 (Nine) times respectively on 21.04.2006, 31.05.2006, 02.06.2006, 29.07.2006, 18.10.2006, 30.11.2006, 05.12.2006, 30.01.2007 and 31.01.2007 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members for the period of three days from 23.08.2006 to 25.08.2006 and has complied with the requirements of section 154 of the Act..
6. The annual general meeting for the financial year ended on 31<sup>st</sup> March, 2006 was held on 25.09.2006 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the 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 during the financial year ended 31.03.2007.
9. The Company has complied with the provisions of section 297 of the Act in respect of contracts specified in that section.
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 has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Company has not issued any duplicate share certificate during the financial year.
13. (i) The Company has delivered all the certificates on lodgment thereof for transfer or transmission 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 has deposited the amount of dividend in a separate bank account on 29.09.2006, which is within five days from the date of declaration of such dividend.
- (iii) The Company paid/posted Cheques for dividend to all the members within a period of 30 (Thirty) days from the date of declaration and that all unclaimed/unpaid dividend has been transferred to Unpaid Dividend Account of the Company with State Bank of India, Hingna Industrial Estate Branch, Nagpur.
- (iv) The Company was not required to transfer any amounts in 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 interest accrued thereon which have remained unclaimed or unpaid for the 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 and the reappointment of Directors retiring by rotation have been duly made.
15. The appointments of Shri. C.P.Goenka as Managing Director and Shri. Sudhirkumar Goenka as Executive Director made during the financial year effective from 01.08.2005 and 01.07.2006 respectively have been made in compliance with the provisions of section 269 read with Schedule XIII to the Act.

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 and/or such authorities prescribed under various provisions of the Act during the financial year ended 31.03.2007.
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 or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. As there were no outstanding preference shares or debentures, question of redemption does not arise.
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 section 58A and 58AA of the Act read with Companies (Acceptance of Deposits) Rules, 1975 and complied with the relevant provisions except filing of documents.
24. The amount borrowed by the Company from the Directors, members, public, financial institutions, banks and others during the financial year ending 31.03.2007 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 but has not given any guarantee or provided security 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 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 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 financial year.
33. The Company has regularly deposited both employee's and employer's contribution to Provident Fund except the arrears of undisputed Provident Fund dues as at March 31, 2007, of Rs. 11,853/- are remaining unpaid. 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  
19<sup>th</sup> May, 2007

Vilas Nichat  
Company Secretary  
Membership No. ACS- 11940 C.P. No. 4374

#### ANNEXURE 'A' TO SECRETARIAL COMPLIANCE CERTIFICATE

##### Registers as maintained by the Company

1. Register of Members under section 150 of the Act.
2. Copies of Annual Return under section 163 of the Act.
3. Minutes Book containing minutes of Board Meetings and General Meetings under section 193 of the Act.
4. Books of Accounts under section 209 of the Act.
5. Register of contracts / Companies and firms in which directors etc. are interested under section 301 of the Act.
6. Register of Directors, Managing Directors/Manager/Secretary under section 303 of the Act.
7. Register of Directors' Shareholdings under section 307 of the Act.
8. Register of investments or loans made, guarantee or security provided under section 372A of the Act.
9. Register of charges under section 143 of the Act
10. Fixed Assets Register
11. Register of Deposits under section 58A and Deposit Rules.