

ELLORA PAPER MILLS LIMITED



35th ANNUAL REPORT
2009-10

BOARD OF DIRECTORS

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

AUDITORS

M/s Bhattad Rathi & Co.
Chartered Accountants
Nagpur

BANKERS

State Bank Of India

REGISTERED OFFICE

379, Pandit Jawaharlal Nehru Marg
Ashoka Vault Building, Sitabuldi
Nagpur – 440 012

FACTORY

Village : Dewada Khurd, Post : Tumsar
District : Bhandara, State : Maharashtra
Pin : 441 912

REGISTRAR & TRANSFER AGENT

Bigshare Services Private Limited
E-2/3, Ansa Industrial Estate, Sakivihar Road
Sakinaka, Andheri (e), Mumbai - 400072

NOTICE

Notice is hereby given that the Thirty Fifth Annual General Meeting of the Members of **ELLORA PAPER MILLS LIMITED** will be held on Thursday, the 30th September, 2010, 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 & Loss Account for the year ended 31st March 2010, and the Balance Sheet as at that date together with reports of Director's and Auditor's thereon.
2. To appoint the Director in place of Shri Sunil Goenka who retires by rotation, and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration:

To consider and if thought fit to pass with or without modification the following resolution as an **Ordinary Resolution**:

"RESOLVED that M/s. Bhattad Rathi & Co., Chartered Accountants, the retiring Statutory Auditors be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting on such remuneration and reimbursement of expenses as the Board of Directors may fix in that behalf in consultation with the said Auditors".

SPECIAL BUSINESS:

4. To consider and if thought fit to pass with or without modification(s) the following resolution as a **Special Resolution**:

"RESOLVED THAT in terms of Sections 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any amendment to or enactment thereof) and also subject to the approval of statutory authorities, if any, as may be required and subject to such alterations and modifications, if any, that may be effected by the above authorities in that behalf, Shri Sudhir Goenka be and is hereby re-appointed as a Executive Director of the Company for a period of **3 years w. e. f. 1st July, 2009** upon the terms and conditions as to remuneration and otherwise as appended below and that the Board of Directors / Committee be and are hereby authorised to alter and vary such terms and conditions in accordance with the laws in force from time to time as may be agreed to by the Board of Directors / Committee of the Board.

RESOLVED FURTHER THAT where in any financial year during the currency of the term of office, the Company has no profits or its profits are inadequate it may pay to Shri Sudhir Goenka remuneration by way of salary and perquisites as specified above except the commission, in accordance with Schedule XIII to the Companies Act, 1956.

RESOLVED FURTHER THAT, Shri Sudhir Goenka, shall not be liable for the retirement by rotation during his tenure as Executive Director of the company.

RESOLVED FURTHER THAT either Shri C.P. Goenka, Managing Director or Shri Sunil Goenka, Director of the company be and are hereby authorised for the purpose of giving effect to the above resolution, to take all such actions and give all such directions, or do all such acts, deeds, matters and things as may be necessary in this regard and further to execute all such deeds, documents and writings as may be necessary in this regard."

**By order of the Board
For ELLORA PAPER MILLS LIMITED**

Place: NAGPUR
Dated: 06.09.2010

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 TO VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The Register of Members of the Company will remain closed from 28th September 2010 to 30th September 2010 (both days inclusive).
3. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the businesses under item Nos. 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.

ANNEXURE TO THE NOTICE**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.****Item No. 4:**

The tenure of Shri Sudhir Goenka as Executive Director of the company expired on 30th June 2009. In view of his long association with the Company, the Board of Directors considers it desirable in the interest of the Company that the Company should continue to avail of the Benefits of his services. The Board of Directors of the Company at its meeting held on 14th October, 2009 consider, approved and recommend the re-appointment of Shri Sudhir Goenka as Executive Director of the Company for a period of 3 years with effect from 1st July, 2009 subject to the approval of Members of the Company.

The terms and conditions including remuneration as specified hereunder:

1. **Period of Appointment:** From 01st July 2009 to 30th June 2012.
2. **Salary:** Basic Pay Rs. 106000/ P.M. in the scale of Rs. (100000 – 6000 -118000).
3. **Commission:** 1% of the net profit of the Company computed in the manner referred to in Section 198 and 309 of the Companies Act, 1956.
4. **Perquisites:** Perquisites shall be allowed, in addition to salary and commission. Perquisites shall be restricted to an amount equal to the annual Salary or Rs 8,50,000 per annum, whichever is less. Perquisites are classified as under:

Category - A

i. (a) Housing:

- (a) The expenditure by the Company on hiring furnished accommodation will be subject to a ceiling of 60% of the Salary, over and above 10% payable by the Executive Director.
- (b) In case no accommodation is provided by the Company the Executive Director shall be entitled to house rent allowance subject to the ceiling laid down in (a) above.
- (c) In case the accommodation provided is owned by the Company, 10% of the salary of the Executive Director shall be deducted by the Company.
[Explanation: The expenditure incurred by the Company on gas, electricity, water and furnishings shall, however, be subject to a ceiling of 10% of the Salary of the Executive Director.]

(b) Reimbursement of Medical Expenses:

Reimbursement of expenses incurred for self and family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

For the purpose of the above "Family" means the spouse, the dependent children and dependent parents of the appointee.

(c) Leave Travel Concession :

Leave Travel Concession to anywhere in the world for self and family once in a year. For the purpose of the above "Family" means the spouse, the dependent children and dependent parents of the appointee.

(d) Club Fees:

Fees of club subject to a maximum of two clubs. No admission and life membership fees will be paid.

(e) Personal Accident Policy:

Annual Premium of Personal Accident Insurance.

Category - B

- (f) Contribution to Provident Fund not exceeding twelve per cent of the salary and Superannuation Fund or Annuity Fund not exceeding twelve per cent of the salary. These will not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.
- (g) Gratuity payable shall not exceed half a month's salary for each completed year of service.
- (h) Earned Leave: On full pay and allowances as per the rules of the Company but not exceeding one month's leave for every eleven months of services. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

Category - C

- (i) Provision of car for use on the Company's business and telephone at residence will not be considered as perquisites. Personal Long distance calls in telephone and use of car for private purpose shall be billed by the Company.
Shri Sudhir Goenka is interested in the passing of the resolution in as much as it concerns the payments of remuneration to him. Shri C. P. Goenka may, therefore, be deemed to be interested in the passing of this resolution to that extent and hence he did not participate in the discussion and did not vote on the resolution.

Brief Profile of Director Seeking / Appointment Re-appointment :

Shri Sudhir Goenka.

Shri Sudhir Goenka is a promoter Director of the Company. He is Executive Director of the company and Look after the day to day affairs. He is having vast experience in business and management. He has a successful track record and having experience of more than 30 years in printing and stationary Industry. He is holding 700000 equity shares of the Company. He is having Directorship in various Companies like Sharadha Leasing and Financing Limited & Ellora Plantation Limited

Shri Sunil Goenka.

He has skill and experience in administration and gave valuable suggestion to the Company in various discussions. He does not hold any shares of the Company as on date of Director's Report.

**By order of the Board
For ELLORA PAPER MILLS LIMITED**

Sudhir Goenka
EXECUTIVE DIRECTOR

Place: NAGPUR
Dated: 06.09.2010

REPORT OF THE BOARD OF DIRECTORS TO THE MEMBERS

1. Presentation

Your Directors have pleasure in presenting the Annual Report for 2009-10 together with the Audited Accounts for the year ended 31st March, 2010.

2. Financial Results

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

Particulars	2009-10 (Rs)	Rs in lacs 2008-09 (Rs)
Sales	4845.46	5610.33
Profit Before Interest Depreciation and Tax	290.42	176.13
Less : Interest	149.29	122.81
Depreciation	118.36	117.70
Loss/Profit Before Tax	22.77	(64.38)
Less : Provision for Taxation – Current [including tax for earlier Year Rs.NIL/- (P.Y. Rs Nil)]	3.52	2.66
Profit After Current Tax	19.25	(67.04)
Deduct: Deferred Tax Liability	(10.26)	(29.91)
Add: Profit brought forward from previous year	718.24	755.37
Profit Available for Appropriation	727.23	718.24
Deduct : Proposed Dividend	---	---
Dividend Tax	---	---
Transfer to General Reserve	---	---
Profit carried forward to Balance Sheet	727.23	718.24

3. Review of Operations

During the year under review, the Company posted sales turnover of Rs. 4,845.46 lakhs as against Rs. 5,610.33 lakhs during the previous year. Even though the company has not been able to maintain the sales volumes; it has improved the performance significantly as posted a profit after tax of Rs. 19.25 lakhs during the year 2009-10.

4. Fire Accident

Your Directors are constrained to report that a major fire broke out in the factory premises at Tumsar on 06th July 2010 and caused substantial damage in the paper section of the plant. All these assets are covered by an appropriate insurance policy. The plant remains shut for the present and is expected to restart within a couple of months.

5. Sale of Rice Unit

The Rice Unit of the Company has not been able to achieve its targeted results because of many a factor. The situation has worsened subsequent to the fire accident. Taking into account the overall situation, your directors propose to sell the rice plant and infuse the resultant funds to revive the paper unit. In order to implement the proposal, the requisite mandatory procedure has already been initiated and the postal ballot papers have been dispatched on 18th August, 2010. Appropriate decision will be taken after receiving the ballot results from the scrutinizer.

6. Fixed Deposits

The Company has accepted fixed deposits from the public during the year ended on 31st March 2010 and complied with the relevant provisions of the Companies Act, 1956.

7. 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.

8. 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.

9. 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.

10. 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 judgments 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.

11. Shri V. Dixit

With a heavy heart your directors report that Shri V. Dixit, our revered Chairman, expired on 14th October 2009. Your directors place on record their sincere gratitude to the commendable stewardship provided by Shri Dixit through out the years.

12. Directors

Mr. Sunil Goenka retires by rotation and being eligible offers himself for reappointment.

13. Auditors

Members are requested to appoint auditors for the current year. The retiring auditors M/s Bhattad Rathie & 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 Rathie & 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.

14. Cost Audit

The Cost Audit of the Cost Accounts of the Company for the year ended on 31st March, 2010, 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.

15. Listing of Shares

The Equity Shares of the Company are listed on The Bombay Stock Exchange Limited, Mumbai. They are also dematerialised and made live in the CDSL NSDL systems. M/s Bigshare Services Private Limited have been appointed as the R&T Agent of the Company. Shareholders may contact them at "E-2/3, Ansa Industrial Estate, Sakinagar Road, Sakinaka, Andheri (E), Mumbai - 400 072" regarding transfer, dematerialization, etc. of shares.

16. 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.

17. 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.

By order of the Board
For ELLORA PAPER MILLS LIMITED

Sudhir Goenka
EXECUTIVE DIRECTOR

Place: NAGPUR
Date: 06.09.10

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 had been installed in 2004
 (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

Particulars	Unit	2009-10	2008-09
(A) Power and Fuel Consumption			
1 Electricity			
a. Purchase Units	KWH	2992959	2681536
Total Cost Rs. In lacs		131.56	102.66
Rate / Unit	Rs./KWH	4.40	3.83
b. Own Generation	KWH	6701800	7872904
2 Coal			
(Grade B,C or ROM depending upon availability)			
Quantity	M.T.	1801	2180
Total Cost	Rs. In lacs	51.73	87.73
Average Rate	Rs./MT	2873	4024
3 Furnance Oil		NIL	NIL
4 Others/Internal Generation			
Rice Husk			
Quantity	M.T.	13987	16225
Total Cost	Rs. In lacs	318.51	292.26
Average Rate	Rs./MT	2279	1801
(B) Consumption per unit of production--			
Paper (M.T.) Particulars	Unit	2009-10	2008-09
Electricity	KWH	1026	1082
Furnance Oil	M.T.	NIL	NIL
Coal	M.T.	0.19	0.23
Rice Husk	M.T.	1.48	1.69

II. TECHNOLOGY ABSORPTION

- a. Research & Development (R&D)
 Absorption of Technology

The Company has no separate R&D Department
 The Company has no imported and technology

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

a. Foreign Exchange Earnings	81.76	85.24
b. Foreign Exchange Outgo	107.94	168.92

By order of the Board
For ELLORAPAPER MILLS LIMITED

Place: NAGPUR
 Date: 06.09.10

Sudhir Goenka
EXECUTIVE DIRECTOR

SECRETARIAL COMPLIANCE CERTIFICATE

Registration No. of the company: L21010MH1977PLC019972

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

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

To,
The Members
Ellora Paper Mills Limited,
Nagpur (M. S.) 440012.

I have examined the registers, records, books and papers of **Ellora Paper Mills Limited (the Company)** as required 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 on 31/03/2010 (financial year). 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, its officers and agents, 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 the 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' to this certificate, with the Registrar of Companies, along-with the necessary filing fees and additional fees in case of delayed filing.
3. The Board of Directors duly met 6 (Six) times on 30/04/2009, 08/07/2009, 10/07/2009, 24/07/2009, 14/10/2009 and 30/01/2010 (dates) in respect of which proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
4. The Company has closed its Registers of members during the financial year for five days from 25/09/2009 to 29/09/2009 (both days inclusive).
5. The annual general meeting for the financial year ended on 31/03/2009 was held on 29/09/2009 after giving due notice to the members of the Company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
6. No Extra-ordinary general meeting was held during the financial year.
7. The Company had not advanced any loan to its directors or persons, firms or companies referred to under section 295 of the Companies Act during the financial year ended 31/03/2010.
8. The Company has duly complied with the provisions of section 297 of the Act in respect of contracts specified in that section.
9. The Company has made necessary entries in the register maintained under section 301 of the Act.
10. 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.
11. The Company has not issued any duplicate share certificate during the financial year.
12. The Company has:
 - i. Delivered all the certificates on lodgment of securities for transfer / transmission or any other purpose in accordance with the provisions of the Act.
 - ii. not declared any dividend/ interim dividend during the financial year.
 - iii. not required to post warrants to any member of the Company as no dividend was declared during the financial year.
 - iv. no amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years.
 - v. duly complied with the requirements of section 217 of the Act.
13. The Board of Directors of the Company is duly constituted and the appointment of Directors have been duly made.
14. The appointment of Managing Director of the Company has been made in compliance with the provisions of Section 269 read with Schedule XIII to the Act.
15. The Company has not appointed any sole selling agents during the financial year.
16. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and / or such other authorities prescribed under the various provisions of the Act during the financial year.
17. 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.
18. The Company has not issued any shares, debentures or other securities during the financial year.
19. The Company has not bought back any shares during the financial year.
20. There are no outstanding preference shares or debentures; hence the question of redemption does not arise.
21. 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.
22. The Company has complied with the provision of Section 58A and 58AA read with the Companies (Acceptance of Deposit) Rules, 1975 in respect of deposits accepted including unsecured loans taken, raised by the company during the year and the company has filed the copy of statement in lieu of advertisement / necessary particulars as required with the Registrar of Companies, Maharashtra at Mumbai on 13th April, 2009 and 23rd March, 2010.
23. The amount borrowed by the Company from the director, member, public, financial institutes, banks, and others during the financial year ending 31/03/2010 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 annual/extraordinary general meeting.
24. The Company has made investment in shares and securities of the other bodies corporate in compliance with the provision of the Act and has made necessary entries in the Register kept for the purpose.
25. 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.
26. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the year under scrutiny.
27. The Company has not altered the provisions of the memorandum with respect to name of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year under scrutiny.
29. The Company has not altered its articles of association during the year under scrutiny.
30. There was no prosecution initiated against or show cause notices 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.
31. The Company has not received any money as security from its employees during the year under scrutiny.
32. According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the undisputed statutory dues in respect of Provident Fund have been regularly deposited by the Company during the year with the appropriate authorities.

Place: Nagpur
Date: 06/09/2010.

Aniket Deodhar
Practicing Company Secretary
Membership No.: ACS No.: 21363 CP No.: 7797