



ANNUAL REPORT
1996-97



MADHYADESH PAPERS LTD.**BOARD OF DIRECTORS**

SHRI RAMGOPAL N. MAHESHWARI	Chairman
SHRI PRAKASH R. MAHESHWARI	Managing Director
SHRI NIMISH V. MAHESHWARI	Jt. Managing Director
SHRI VINOD K. MAHESHWARI	Director
SHRI PRAFULLA K. MAHESHWARI	Director
SHRI SUDARSHAN L. RATHI	Director
SHRI RADHAVALLABH R. DHOOT	Director
SHRI M.R. CHANDURKAR	Director
SHRI A.K. GUPTA	Nominee Director - IFCI

COMPANY SECRETARY

Shri Vilas D. Nichat

AUDITORS

M s. Khatri & Iyer,
Chartered Accountants
65 Central Avenue,
NAGPUR - 440 018.

MD	/	BKC	/
CS	/	OPY	268
RO	/	DIV	88
TRA	/	AC	7
AGM	/	SHI	7
YE	/		

BANKERS

Oriental Bank Of Commerce

REGISTERED OFFICE

Nava Bharat Bhavan,
Cotton Market,
NAGPUR - 440 018
PH.: 726677, 88. 99 FAX : +91(712)-723444

ADMINISTRATIVE OFFICE

East High Court Road, 15, Kachipura Park,
New Ramdaspath,
NAGPUR - 440 010
PH.: 527766, 553969 FAX : 0712-542233

PLANT

Village Manegeon,
Taluka Saoner,
Dist. NAGPUR

FOURTH ANNUAL GENERAL MEETING

DATE : 13TH SEPTEMBER, 1997

DAY : SATURDAY

TIME : 10.00 A.M.

VENUE : VIDARBHA INDUSTRIES
ASSOCIATION (HALL)
UDYOG BHAVAN, CIVIL LINES,
NAGPUR - 440 001

Certified to be true and correct

Company Secretary

MADHYADESH PAPERS LTD.**NOTICE TO MEMBERS**

NOTICE is hereby given that the Fourth Annual General Meeting of the Members of MADHYADESH PAPERS LIMITED will be held on Saturday, the 13th September, 1997 at 10.00 A.M. at Vidarbha Industries Association Hall, Udyog Bhavan, Civil Lines, NAGPUR-440 001, to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 1997 and the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Ramgopal N. Maheshwari who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Vinod K. Maheshwari who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Prafulla K. Maheshwari who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

6. To consider and if thought fit, to pass with or without modification(s) the following resolution as special resolution :

"RESOLVED THAT the Articles of Association of the Company be and is hereby altered in the following manner :

- i. The words 'section 22A of the Securities Contracts (Regulation) Act, 1956' appearing in the 1st and 2nd line of the existing Article 42 of the Articles of Association of the Company be and is hereby deleted and the words 'other statutory provisions as applicable' be substituted in place thereof.
- ii. The words 'and every such instrument shall be countersigned by the Secretary or some other person appointed by the Directors' appearing in 5th, 6th and 7th line of the existing Article 126 of the Articles of Association of the Company be and is hereby deleted".

Registered Office :

Nava Bharat Bhavan,
Cotton Market,
NAGPUR - 440 018

Dated : 28.06.1997

By Order of the Board,

Nimish V. Maheshwari
Jt. Managing Director

MADHYADESH PAPERS LTD.**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.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 6th September to 13th September, 1997 (both days inclusive).
3. A blank proxy form is sent herewith.
4. The instrument appointing proxy should however, be deposited at the Registered Office of the Company not less than 48 hours before the time appointed for the Meeting.
5. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item 6 of the Notice set out above is annexed hereto.
6. Members are requested to notify the change in address, if any, immediately to the Company quoting their folio numbers.
7. Shareholders intending to require information about Accounts to be explained in the Meeting are requested to inform the Company atleast 7 days in advance of the Annual General Meeting.
8. Members are requested to bring their copies of Annual Report to the Meeting.
9. The Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
10. Members are requested to make all correspondence relating to share department at the following address only.

MADHYADESH PAPERS LTD.

NAVA BHARAT BHAVAN, COTTON MARKET, NAGPUR - 440 018.

ANNEXURE TO THE NOTICE**EXPLANATORY STATEMENT**

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No.6

- i. The Section 22A has been omitted from the Securities Contracts (Regulation) Act, 1956 by the Depositories Act, 1996 w.r.e.f. 20th September, 1995. Hence in order to make the provisions of the Articles of Association of the Company consistent with the provisions of the Act, it has become necessary to alter the Article 42 of the Articles of Association of the Company.
- ii. In view of the smooth functioning of the business of the Company it is considered desirable to alter the Article 126 of the Articles of Association of the Company.

Alteration of Articles of Association requires approval of Members by special resolution pursuant to Section 31 of the Companies Act, 1956. The Directors recommend that the resolutions be passed.

None of the Directors of the Company is interested in the said resolution.

Copy of the Articles of Association of the Company is available for inspection at the Registered office of the Company on all working days during usual business hours.

MADHYADESH PAPERS LTD.



REPORT OF THE DIRECTORS

Your Directors have pleasure in presenting their Fourth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 1997.

1. FINANCIAL RESULTS

	RUPEES
SALES AND OTHER INCOME	8,76,22,094
Gross Profit	1,45,79,445
Less : Interest	82,36,944
: Depreciation	33,28,913
	<u>1,15,65,857</u>
Profit before Tax	30,13,588
Less : Provision For Taxation	<u>3,88,753</u>
Profit after Tax	26,24,835
Add : Prior Period Adjustment :	
Interest earned during construction period (Net of Taxation)	<u>15,63,480</u>
Balance carried forward	<u>41,88,315</u>

2. PROJECT

The project cost of Company's Newsprint Plant was estimated at Rs.1194.00 lacs. However, on actual implementation, due to various factors there was an overrun in time and cost of project. Nevertheless the Company completed its project but at a revised cost of about Rs.1590.00 lacs resulting in cost overrun of about Rs.396.00 lacs. Similarly as per original implementation schedule the commercial production which was planned to be started on 1st October, 1995 was actually commenced on 21st September, 1996. Thus there was a time overrun of about 1 year.

As you are aware the Paper Industry is going through a recessionary period and most of the units have declared losses or substantially reduced profits for the year ended 31st March, 1997. Your Directors are glad to state that your Company could register a profit in the very first year of its operation consisting of about six and half months. In this respect the support of associated concerns are worth praising.

3. LISTING OF SHARES

The Equity Shares of the Company have been duly listed on The Mumbai Stock Exchange and The Ahmedabad Stock Exchange on 8th February, 1996 and 20th February, 1996 respectively.

4. DIVIDEND

Keeping in view the funds requirements of the Company for the purpose of working capital in the ensuing year, your Directors are not recommending any dividend for this year.

5. WORKING AND FUTURE PROSPECTS

During the year the Company carried out its commercial production for 6 months after its commencement from 21st September, 1996 and achieved a sales turnover of Rupees 9,22,45,604 (5345.79 MT) showing a profit of Rupees 30,13,588 (before Tax). There has

MADHYADESH PAPERS LTD.



been an invariable improvement in the performance of the Company and the quality of its product during the period of time.

Looking to the emerging market potential for the product of the Company i.e. Newsprint, the Directors of the Company have envisaged the proposal for expansion of the existing 46 TPD project of the Company to 66 TPD which would certainly enable the Company to enhance its production capacity.

6. PARTICULARS OF EMPLOYEES

None of the employees was in receipt of remuneration of Rs.25,000/- or more per month during the year. Therefore the particulars of employees as required by provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars Of Employees) Rules, 1975 are not furnished.

7. OTHER PARTICULARS

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the statement annexed (annexure) hereto forming part of this report.

8. DIRECTORS

Shri Ramgopal N. Maheshwari, Shri Vinod K. Maheshwari and Shri Prafulla K. Maheshwari retire by rotation and being eligible, offer themselves for reappointment.

The Industrial Finance Corporation Of India has appointed Shri Ashis Kumar Gupta as a Nominee Director on the Board of the Company with effect from 28.09.1996 which was duly noted by the Board of Directors at the Board Meeting held on 28.09.1996

9. AUDITORS

M/s. Khatri & Iyer, Chartered Accountants, Nagpur retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

10. ACKNOWLEDGEMENT

The Directors are grateful to Industrial Finance Corporation of India and Oriental Bank of Commerce for their continued co-operation and assistance during the year.

For and on behalf of the Board,

Nimish V. Maheshwari
Jt. Managing Director

NAGPUR
Dated : 28.06.1997

Vinod K. Maheshwari
Director