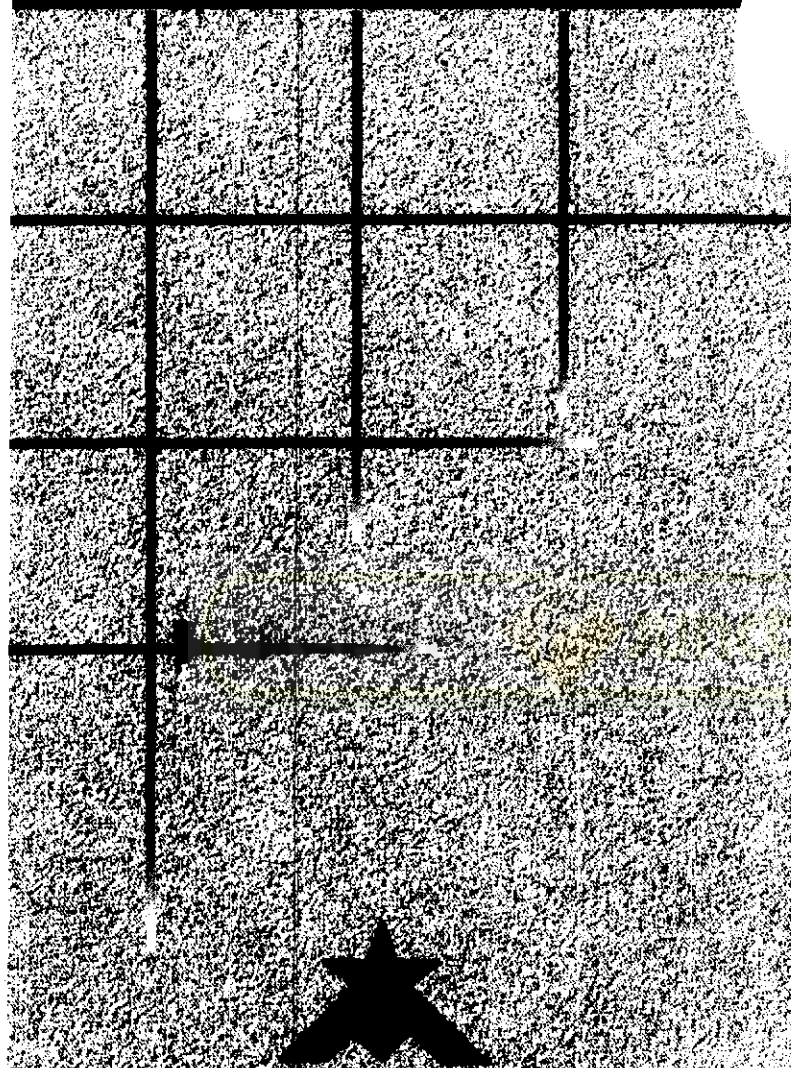


PAPER POWER

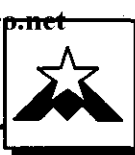


ion.com

MADHYADESH PAPERS LTD.

CONTENTS

Notice to Members	1
Directors' Report	4
Auditors' Report	9
Balance Sheet	11
Profit & Loss Account	12
Schedules attached to and forming part of Balance Sheet	13
Balance Sheet Abstract and Company's General Business Profile	20
Cash Flow Statement	22
Enclosures	
Attendance Slip & Form of Proxy	24

MADHYADESH PAPERS LIMITED

BOARD OF DIRECTORS :

SHRI RAMGOPAL MAHESHWARI	Chairman
SHRI PRAKASH R. MAHESHWARI	Vice-Chairman
SHRI NIMISH V. MAHESHWARI	Managing Director
SHRI VINOD MAHESHWARI	Director
SHRI PRAFULLA K. MAHESHWARI	Director
SHRI SUDARSHAN L. RATHI	Director
SHRI RADHAVALLAB R. DHOOT	Director

COMPANY SECRETARY : SHRI VILAS D. NICHAT

AUDITORS : M/S. KHATRI & IYER,
Chartered Accountants
117, Zal Complex, Residency Road, Sadar,
NAGPUR - 440 001

BANKERS : ORIENTAL BANK OF COMMERCE
Kingsway,
NAGPUR - 440 001

REGISTERED OFFICE : NAVA BHARAT BHAWAN,
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	: Manegaon
Taluka	: Saoner
Dist.	: NAGPUR
PH	: 07113 - 32400, 32398
FAX	: 07113-32401

CERTIFIED TRUE COPY

FOR MADHYADESH PAPERS LIMITED

Vilas D. Nichat
VILAS D. NICHAT
COMPANY SECRETARY

MADHYADESH PAPERS LIMITED**NOTICE TO MEMBERS**

NOTICE is hereby given that the Sixth Annual General Meeting of the Members of MADHYADESH PAPERS LIMITED will be held on Tuesday, the 28th September, 1999 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, 1999 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 Maheshwari who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Vinod 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 a special resolution :

"RESOLVED THAT pursuant to the provisions of section 17 of the Companies Act, 1956, the Object Clause of the Memorandum of Association of the Company be altered by adding the following new clause (25) after the existing Clause (24) appearing under the heading 'Objects Incidental or Ancillary to the attainment of Main Object' :

'(25) To produce and generate electricity necessary for the purposes of the business of the Company and to process or deal with all products, by products, waste and residues resulting from or ancillary and incidental to such production'.

RESOLVED FURTHER THAT the consecutive Clause Nos. from 25 to 38 appearing under the heading 'Other Objects' in the Memorandum of Association of the Company be renumbered as 26 to 39 respectively."

Registered Office :

Nava Bharat Bhavan,
Cotton Market,
NAGPUR - 440 018

By Order of the Board,

VILAS D. NICHAT
COMPANY SECRETARY

Dated : May 24, 1999

**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 21st September to 28th September, 1999 (both days inclusive).
3. Members are requested to :
 - a) Intimate to the Company the changes, if any, in their registered addresses along with **Pin Code Number.**
 - b) Quote their **Folio Number.**
4. Members who have multiple folios with identical order of names are requested to intimate to the Company these folios to enable the Company to consolidate all shareholdings into one folio.
5. A blank proxy form is sent herewith.
6. The instrument appointing proxy should however, be deposited at the Administrative Office of the Company not less than 48 hours before the time appointed for the Meeting.
7. Shareholders intending to require information about Accounts to be explained in the Meeting are requested to inform the Company at least 7 days in advance of the Meeting.
8. Members are requested to bring their copies of the Annual Report to the Meeting.
9. The Members/Proxies should bring an Attendance Slip sent herewith duly filled in for attending the Meeting.
10. Members are requested to make all correspondence relating to share department to our Share Transfer Agent addressed below :

LIGHTHOUSE SYSTEMS
C-22, YUGDHARMA COMPLEX,
CENTRAL BAZAR ROAD, RAMDASPETH,
NAGPUR - 440 010.

**ANNEXURE TO THE NOTICE****EXPLANATORY STATEMENT****(Pursuant to Section 173 (2) of the Companies Act, 1956)****Item No. 6**

In order to meet out the increased power requirements of the Company and to achieve an uninterrupted production, the Company has planned to set up a 3.5 MW Co-generation Power Plant at Village : Malegaon Tah : Saoner Dist. : Nagpur.

Since the said activity constitutes ancillary to the existing business of the Company, it is considered necessary to include the same in the Objects Clause in the Memorandum of Association of the Company under the heading 'Objects Incidental or Ancillary to the Attainment of Main Objects'.

An alteration in the Object Clause in the Memorandum of Association of the Company requires approval of members by special resolution pursuant to section 17 of the Companies Act, 1956. The Directors recommend that the resolution be passed.

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

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

Report  junction.com

MADHYADESH PAPERS LIMITED**DIRECTORS' REPORT**

To the Members of **MADHYADESH PAPERS LIMITED**

Your Directors have pleasure in presenting their Sixth Annual Report and Audited Statement of Accounts for the year ended 31st March, 1999.

FINANCIAL RESULTS :

		RUPEES
SALES AND OTHER INCOME		<u>26,36,80,021</u>
Gross Profit		4,54,40,322
Less : Interest	1,74,87,552	
Depreciation	<u>83,12,949</u>	<u>2,58,00,501</u>
Profit Before Tax		1,96,39,821
Less : Provision For Taxation		<u>20,62,181</u>
Profit After Tax		1,75,77,640
Add : Surplus Brought Forward		86,85,906
: Prior Period Adjustment :		
Income tax paid for earlier years		<u>(4,77,708)</u>
		2,57,85,838
Less : Appropriations		
: Transfer to General Reserves		<u>50,00,000</u>
Balance carried forward		<u>2,07,85,839</u>

It can be seen from the above that your Company has achieved a turnover of Rs. 26,36,80,021 and has been able to generate a cash to the extent of Rs. 2,79,52,770.

A transfer to the reserves of Rs. 50,00,000 leave a balance of Rs. 2,07,85,839 which is carried over to the balance sheet.

EXPANSION :

As previously reported your Company has enhanced its installed capacity from 15180 TPA to 21780 TPA at the cost of Rs. 601.00 lacs financed through Rupee Term Loan of Rs. 440.00 lacs from IFCI and internal accruals of Rs. 161.00 lacs through its Expansion Programme. The commercial production at enhanced installed capacity has been started w.e.f. September 15, 1998.

CO-GENERATION POWER PLANT :

We are glad to inform you that the prospecting work i.e. prior sanctions, approvals, Techno-Economic Feasibility Report etc. for implementing the proposed 3.5 MW Co-generation Power Plant are in progress. The Company has already acquired 3.88 Hectares of land for setting up of the said plant at Village : Malegaon, Taluka : Saoner, Dist. : Nagpur. The Company is also going to tie up the requirement of funds for the proposed plant with the Financial Institutions. The entire power generated from this plant is meant for captive consumption within the existing 66 TPD Paper Project of Company.