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**MADHYADESH PAPERS LTD.**  
**14TH ANNUAL REPORT 2006-2007**

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**MADHYADESH PAPERS LIMITED**

**BOARD OF DIRECTORS :**

SHRI VINOD MAHESHWARI	Chairman
SHRI NIMISH V. MAHESHWARI	Managing Director
Dr. S. L. KESWANI	Director
SHRI KIRAN SOMALWAR	Director
SHRI VINAY PANSARI	Director

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

**BANKERS :** STATE BANK OF INDIA  
Industrial Finance Branch,  
Bharat Nagar,  
Nagpur - 440 010.

THE FEDERAL BANK LIMITED  
Ramdaspath, Nagpur - 440 010.

**REGD. OFFICE :** NAVA BHARAT BHAVAN,  
Chatrapati Square, Wardha Road,  
Nagpur - 440015.  
PH. : 0712 - 2284013, 2284014.  
FAX : 0712 - 2284015.

**PLANT :** Village : Manegaon  
Taluka : Saoner  
Dist. : Nagpur  
PH. : 07113 - 232401  
FAX : 07113 - 232400

## MADHYADESH PAPERS LIMITED



### NOTICE TO MEMBERS

NOTICE is hereby given that the Fourteenth Annual General Meeting of the Members of MADHYADESH PAPERS LIMITED will be held on Wednesday, the 5<sup>th</sup> September, 2007 at 10.00 A.M. at Nava Bharat Bhavan, Chhatrapati Square, Wardha Road, Nagpur - 440 015, to transact the following business :

#### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31<sup>st</sup> March, 2007 and the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To re-appoint a Director in place of Dr. S. L. Keswani who retires by rotation and being eligible, offers himself for reappointment.
3. To re-appoint a Director in place of Shri Vinay Pansari who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

Registered Office :

Nava Bharat Bhavan,  
Chhatrapati Square,  
Wardha Road,  
NAGPUR - 440 015

By Order of the Board,

Nimish V. Maheshwari  
Managing Director

Dated : July 31, 2007

## MADHYADESH PAPERS LIMITED



### 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 on Wednesday, the 5<sup>th</sup> September, 2007.
3. Members are requested to:
  - a) Intimate 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 the Company regarding 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 Registered 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 from the date of Meeting.
8. Members are requested to bring their copies of the 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 transfer (both in Physical & Demat form) to our Share Transfer Agent, M/s. Adroit Corporate Services Pvt. Ltd., 19, Jaferbhoy Industrial Estate, 1<sup>st</sup> Floor, Makwana Road, Marol Naka, Mumbai - 440 059.

**MADHYADESH PAPERS LIMITED**

**Information pursuant to Corporate Governance Clause of the Listing Agreement(s) regarding the Directors seeking appointment / re-appointment in Annual General Meeting.**

Name of Director	Dr. S.L. Keswani	Shri Vinay Pansari
Date of Birth	28.04.1932	19.02.1965
Date of Appointment	09.08.2001	31.07.2003
Expertise in specific functional areas	He is a renowned Pulp & Paper Technologist & Consulting Engineer. He is also the Managing Director of Chemprojects Consulting Pvt. Ltd. which renders engineering services to pulp, paper, chemical and other process industries. He is a member of TAPPI, USA; IPPTA, India etc.	He is a renowned Business Man having sound financial & accounting knowledge with rich experience of over 22 years in business.
Directorships of other Public Limited Companies as on 31st March, 2007.	1) DSM Agro Products Ltd. 2) Prakash Industries Ltd. 3) Khatema Fibers Ltd. 4) Cheema Papers Ltd.	Nil
Chairman / Member of the Committees of other Companies as on 31st March, 2007	Nil	Nil
No. of shares held	Nil	8,000

**MADHYADESH PAPERS LIMITED****DIRECTORS' REPORT**

To the Members of 'MADHYADESH PAPERS LIMITED'

Your Directors have pleasure in presenting their Fourteenth Annual Report and Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2007.

**FINANCIAL RESULTS :**

(RUPEES)

<b>SALES AND OTHER INCOME</b>		<u>44,81,80,586</u>
<b>Gross Profit</b>		8,38,15,484
Less : Financial Charges	3,52,81,724	
Depreciation	<u>2,38,27,924</u>	
		<u>5,91,09,648</u>
		2,47,05,836
Add : Prior Period Adjustments		<u>12,42,870</u>
<b>Profit Before Tax</b>		2,59,48,706
Less : Provision For Taxation		<u>30,27,547</u>
<b>Profit After Tax</b>		2,29,21,159
Add : Surplus Brought Forward		3,87,81,834
<b>Balance carried forward</b>		<u><u>6,17,02,993</u></u>

**REVIEW OF OPERATIONS :**

During the year under review, the performance of your company has been commendable recording a significant growth of 639.97% in the Net Profit from Rs. 30.98 Lacs in the previous year to Rs. 229.21 Lacs in the current year. The major factors attributable to the growth are rise in sales turnover by 6%, substantial reduction in financial charges, reduction in raw material cost and efficiency in operations resulting in reduction in manufacturing cost. The Production of the Company has also increased from 23276.760 MT in the previous year to 23543.776 MT in the current year owing to better capacity utilization. Your Company is further evaluating and implementing strategies to sustain its growth both in terms of production and profitability.



## MADHYADESH PAPERS LIMITED



### **FUTURE OUTLOOK :**

As envisaged earlier, the company is already implementing its working plan for method & system improvement in process technology and is outlaying capital investment to the tune of Rs. 50.00 Lacs per year to further improve the capacity utilisation. The present trend of improving domestic Newsprint market is going to continue in the coming years which would supplement in improving sales realisations and will definitely mark a substantial increase in operational turnover & profitability for the coming years. The company is also implementing its plan for major re-modification & installation process control systems which would enhance the quality of the product and fetch more premium and market share.

### **DIVIDEND :**

With a view to sustain the growth of the Company, your Directors have not recommended any dividend for this year.

### **DIRECTORS :**

Dr. S. L. Keswani and Shri Vinay Pansari who retire by rotation and being eligible, offer themselves for re-appointment.

### **AUDIT COMMITTEE :**

The Company has already constituted an Audit Committee of its Board of Directors with specified terms of reference. Dr. S. L. Keswani is the Chairman of the Audit Committee. Shri Vinod Maheshwari, Shri Kiran Somalwar and Shri Vinay Pansari are the other members of the Audit Committee.

### **DEMATERIALISATION OF SHAREHOLDING :**

The Company has already established electronic connectivity with both the depositories viz. National Depository Securities Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through its Registrar and Transfer Agent, M/s. Adroit Corporate Services Pvt. Ltd. As such, the shares of the Company are available for dematerialisation with both the Depositories.

### **LISTING OF SECURITIES :**

The shares of the Company are presently listed on the Stock Exchange, Mumbai and the Stock Exchange, Ahmedabad.

### **CORPORATE GOVERNANCE :**

A report on corporate governance including Auditors' Certificate on compliance with the conditions of corporate governance under clause 49 of the listing agreement, is appended to this report as Annexure "B".



## MADHYADESH PAPERS LIMITED



### DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors to the best of their knowledge and belief hereby confirm that :

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii) appropriate accounting policies have been selected and applied consistently, and have 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 as at 31<sup>st</sup> March, 2007 and of the profits of the Company for the year ended 31<sup>st</sup> March, 2007;
- iii) proper and sufficient care has been taken 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;
- iv) the annual accounts have been prepared on a going concern basis.

### AUDITORS :

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

### COST AUDIT :

The audit of the Cost Accounts of the Company for the year ended 31st March 2007 is being conducted by the Cost Auditors and their report will be submitted to the Ministry of Company Affairs, Government of India.

## MADHYADESH PAPERS LIMITED



### PARTICULARS OF EMPLOYEES :

None of the employees was in receipt of remuneration of Rs. 2,00,000/- or more per month during the year. Therefore, the particulars of employees as required under the provisions of section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not furnished.

### 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 hereto (Annexure 'A') and forms part of this report.

### ACKNOWLEDGEMENTS :

Your Directors are pleased to place on record their sincere gratitude to the Industrial Finance Corporation of India Limited (IFCI Ltd.), State Bank of India, The Federal Bank Limited, SICOM Limited, Government Authorities, Suppliers, Customers and Shareholders for their continued support and co-operation extended to the Company during the year.

Your Directors also express their deep appreciation for the sincere and devoted services rendered during the year by the workers, staff and executives at all levels of operations of the Company.

For and on behalf of the Board,

Place : Nagpur  
Date : July 31, 2007

Vinod Maheshwari  
Chairman