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**VPM**

**23rd  
ANNUAL REPORT  
1996-97**

Report Junction.com

For: Vapi Paper Mills Ltd.

Company Secretary

**VAPI PAPER MILLS LIMITED**



## YEARS AT GLANCE

(Rs. in lacs)

Description	1996-97	1995-96	1994-95	1993-94	1992-93
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## SALES &amp; EARNINGS :

Sales & Other Income	2661.78	3330.20	3225.63	2688.08	2550.86
Gross Profit before depreciation	87.34	293.89	271.54	242.61	83.89
Profit before tax	43.87	244.06	240.99	225.70	67.95
Net Profit after tax	38.21	241.54	190.49	172.17	64.40
Dividend (%)	25%	38%	35%	30%	28%
Retained earnings	(13.83)	162.44	117.64	115.15	36.51

## ASSETS &amp; LIABILITIES :

Fixed Assets (Net)	632.60	741.67	553.31	364.58	120.28
Total Assets (Net)	1341.14	1411.64	1197.03	1029.51	588.40

## REPRESENTED BY :

i) Share Capital	208.15	208.15	205.67	200.28	99.61
ii) Reserves & Surplus	1049.95	1111.82	951.34	812.14	294.29
iii) Net Worth (i) + (ii)	1258.10	1319.97	1157.01	1012.42	393.90
iv) Borrowings	83.04	91.67	40.02	17.09	194.50
v) Total Funds (iii) + (iv)	1341.14	1411.64	1197.03	1029.51	588.40

## RATIO :

Net Earnings per share (Rs.)	1.84	11.60	9.15	8.25	6.47
Cash Earnings per share (Rs.)	3.92	14.00	10.60	9.10	8.07
Dividend cover (times)	0.73	3.05	2.61	3.02	2.31
Net worth per share (Rs.)	60.44	63.41	55.58	48.64	39.55
Current Ratio	2.25	2.25	1.74	2.13	2.11

**DIRECTORS**

Shri Jayantibhai R. Patel	Chairman and Managing Director
Shri Anilbhai R. Patel	Director
Shri Popatlal T. Shah	Director
Shri Surendrabhai K. Patel	Director
Shri Shantilal L. Patel	Director

**BANKERS**

State Bank Of India

**AUDITORS**

Messrs. Manubhai G. Patel & Co.  
Chartered Accountants  
Ahmedabad.

**REGISTERED OFFICE**

213, Udyog Mandir No. 1, 2nd Floor,  
7/C, Pitamber Lane,  
Mahim (West),  
Mumbai 400 016.

**PLANTS****PAPER DIVISION :**

298-301, GIDC Industrial Area  
Vapi 396 195  
Dist, Valsad (Gujarat)

**YARN DIVISION :**

95, Danudyog Sahakari Sangh Ltd.,  
Silvassa 396 230.  
Dadra and Nagar Haveli. (U.T.)

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**NOTICE**

Notice is hereby given that the TWENTY THIRD ANNUAL GENERAL MEETING of the Members of VAPI PAPER MILLS LIMITED will be held at the Registered Office of the Company at 213, Udyog Mandir No.1, 2nd Floor, 7/C, Pitamber Lane, Mahim (West), Mumbai - 400 016 on Monday, the 22nd September, 1997 at 3.00 P.M. to transact the following business :

**AS ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Profit and Loss Account of the Company for the year ended 31st March, 1997, the Balance Sheet of the Company as at 31st March, 1997 and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri. S.L. Patel, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint auditors and to fix their remuneration.

Registered Office :

213, Udyog Mandir No. 1,  
2nd Floor,  
7/C, Pitamber Lane,  
Mahim (West),  
Mumbai - 400 016.

Mumbai.

Dated : 11th August, 1997.

By order of the Board

**Prakash Kotak**  
Financial Controller-cum-  
Company Secretary

**NOTES :**

1. A Member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and, on a Poll, vote instead of himself and a proxy need not be a Member of the Company. Proxies in order to be effective must be received by the Company not less than fortyeight hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from Monday, the 8th September, 1997 to Monday, the 22nd September, 1997 (both days inclusive).
3. The Dividend, if sanctioned at the meeting, will be payable to those shareholders whose names are on the Register of Members of the Company as on 22nd September, 1997.
4. Members are requested to notify changes, if any, in their address, to the Company's Registered Office at the earliest, but not later than 22nd September, 1997.
5. Members desirous of getting any information about the accounts and operations of the Company are requested to address their queries to the Company at least seven days in advance of the meeting so that the information required can be made readily available at the meeting.

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**DIRECTORS' REPORT**

To,  
The Members of,  
**VAPI PAPER MILLS LIMITED.**

Your Directors are pleased to present the 23rd Annual Report and Audited statement of Accounts for the year ended 31st March, 1997.

**1. FINANCIAL RESULTS :**

(Rupees in Lacs)

	<u>1996-97</u>	<u>1995-96</u>
Sales and Other Income	<u>2661.78</u>	<u>3330.20</u>
Gross Profit	87.34	293.89
Less : Depreciation	<u>43.47</u>	<u>49.83</u>
Profit before Tax	43.87	244.06
Less : Provision for Taxation	<u>5.66</u>	<u>2.52</u>
Profit After Tax	<u>38.21</u>	<u>241.54</u>
Add : Balance of Profit brought forward	41.97	91.29
Add : Investment Allowance (Utilised) Reserve Transferred	54.50	—
Less : Extra Ordinary Items	(42.84)	—
Less : Short Provision of Taxation for earlier years (Net)	—	(11.76)
<b>Surplus available for Appropriations :</b>	<u>91.84</u>	<u>321.07</u>
a) Proposed Dividend (Previous years subject to tax)	52.04	79.10
b) Tax on Distributable Profit	5.20	—
b) Transfer to General Reserve	4.00	200.00
Balance carried to Balance Sheet	<u>30.60</u>	<u>41.97</u>

**2. OPERATIONS :**

The Sales and Other Income of your Company have decreased to Rs. **2661.78** Lacs compared to Rs. **3225.63** Lacs in the previous year. However, the said downfall is attributed due to sharp decrease in prices of finished products of both division i.e. Paper Division and Yarn Division. The production of "PAPER AND BOARD " during the year under review was 10,681 MT compared to 9,557 MT during the previous year.

The Gross Profits and Net Profits during the year under review have nosedived to Rs. 87.34 Lacs and Rs. 38.21 Lacs respectively due to sluggish market conditions, overall slowdown of economy, drastic increase in cost of production etc.

**3. DIVIDENDS :**

Your Directors are pleased to recommend a Dividend of **25%** i.e. **Rs. 2.50 per Equity Share** (free of tax) which is satisfactory keeping in view financial performance of your company for the year under review. If approved by the Shareholders at the forthcoming Annual General Meeting, the Dividends would absorb a sum of **Rs. 52.04** Lacs and sum of **Rs. 5.20** Lacs have been provided towards taxation thereto.

**4. FIXED DEPOSITS :**

At the end of the financial year, there was no overdue Deposits.

**5. DISCLOSURE UNDER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956:**

As required under Section 217 (1) (e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988, the informations relating to conservation of energy, technology absorption and foreign exchange earnings and outgo are given in Annexure I attached hereto and forming part of this report.

**6. PARTICULARS OF EMPLOYEES :**

A statement giving particulars of employees pursuant to Section 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of Employees) Rules, 1975 is not attached as the company did not have any such employee employed during the year under consideration.



**7. DIRECTORS :**

In accordance with the provisions of the Companies Act, 1956 Shri. S. L. Patel retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for reappointment.

**8. AUDITORS :**

**M/S. MANUBHAI G. PATEL & CO. Chartered Accountants**, retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Your Directors also wish to place on record their warm appreciation for the sincere efforts and services rendered by the Executives, Staff , Workers, Dealers and Brokers of the Company.

For and on behalf of the Board

Mumbai.  
30th June, 1997

**J. R. Patel**  
Chairman & Managing Director

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**ANNEXURE I TO DIRECTORS' REPORT 1996-97**

Additional information in terms 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 dealing with conservation of Energy and Technology Absorption and Foreign Exchange earnings and outgo :

**A) CONSERVATION OF ENERGY :**

	<b>Current Year ended 31st March, 1997</b>	<b>Previous Year ended 31st March, 1996</b>
<b>1. POWER AND CONSUMPTION :</b>		
a) Electricity		
1) Purchased units (KWH in thousands)	9080.39	7810.11
Total amount (Rs. in lacs)	285.95	205.10
Rate/Unit (Rs.)	3.17	2.62
2) Own Generation :		
Through Diesel Generation	NIL	NIL
Through Steam Turbine/Generator	NIL	NIL
b) Coal		
The Company uses 'B' AND 'C' Grade coal in its Boilers at Vapi Plant.		
Quantity (M.T.)	6301	5723
Total Cost (Rs. in lacs)	130.54	110.87
Average rate (Rs.)	2071	1937
c) Furnace Oil		
Quantity (Ltrs. in thousands)	140.54	179.25
Total amount (Rs. in lacs)	9.74	9.44
Average Rate (Rs. per Ltr.)	6.93	5.26
d) Other/Internal Generation	NIL	NIL