



25th Annual Report 1998-99

VAPI PAPER MILLS LIMITED

YEARS AT GLANCE

(Rs. in lacs)

Description	1998-99	1997-98	1996-97	1995-96	1994-95
SALES & EARNINGS :					
Sales & Other Income	2338.71	2458.77	2661.78	3330.20	3225.63
Gross Profit before depreciation	(2.17)	46.21	87.34	293.89	271.54
Profit before tax	(61.25)	(11.32)	43.87	244.06	240.99
Net Profit after tax	(61.25)	(11.32)	38.21	241.54	190.49
Dividend (%)	10%	10%	25%	38%	35%
ASSETS & LIABILITIES :					
Fixed Assets (Net)	706.73	702.40	632.60	741.67	553.31
Total Assets (Net)	1351.02	1459.63	1341.14	1411.64	1197.03
REPRESENTED BY :					
i) Share Capital	228.15	228.15	208.15	208.15	205.67
ii) Reserves & Surplus	1034.34	1121.19	1049.95	1111.82	951.34
iii) Net Worth (i) + (ii)	1262.47	1349.34	1258.10	1319.97	1157.01
iv) Borrowings	88.55	110.29	83.04	91.67	40.02
v) Total Funds (iii) + (iv)	1351.02	1459.63	1341.14	1411.64	1197.03
RATIO :					
Net Earnings per share (Rs.)	—	—	1.84	11.60	9.15
Cash Earnings per share (Rs.)	—	2.03	3.92	14.00	10.60
Net worth per share (Rs.)	55.34	59.14	60.44	63.41	55.58
Current Ratio	2.18	2.16	2.25	2.25	1.74

Vapi Paper Mills Limited



NOTICE

Notice is hereby given that the TWENTY FIFTH 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 29th September, 1999 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, 1999, the Balance Sheet of the Company as at 31st March, 1999 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. P.T. Shah, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri S.L. Patel, who retires by rotation, and being eligible, offers himself for re-appointment.
5. 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.

By order of the Board

Prakash Kotak
Financial Controller-cum-
Company Secretary

Mumbai.

Dated : 30th August, 1999.

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 Forty Eight hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from Wednesday, the 15th September, 1999 to Wednesday, the 29th September, 1999 (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 29th September, 1999.
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 29th September, 1999.
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.

The logo for Report Junction.com, featuring the word "Report" in a light blue font, a yellow diamond shape with a black outline and a black arrow pointing upwards and to the right, and the word "junction.com" in a light blue font.

Vapi Paper Mills Limited

**DIRECTORS**

Shri Popatlal T. Shah	Chairman
Shri Manoj R. Patel	Managing Director
Shri Anilbhai R. Patel	Director
Shri Surendrabhai K. Patel	Director
Shri Shantilal L. Patel	Director
Shri Dhirubhai B. 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.)



CONTENTS

Directors' Report	1
Auditors' Report	5
Balance Sheet	8
Profit & Loss Account	9
Schedules Forming Part of Accounts	10
Cash Flow Statement	25

Report  junction.com

DIRECTORS' REPORT

To,
The Members of,
VAPI PAPER MILLS LIMITED.

Your Directors have Pleasure in Presenting the Twenty-Fifth Annual Report of the Company together with Audited Statement of Accounts for the year ended 31st March, 1999.

1. FINANCIAL RESULTS :**(Rupees in Lacs)**

	<u>1998-99</u>	<u>1997-98</u>
Sales and Other Income	<u>2338.71</u>	<u>2458.77</u>
Gross Profit	(2.17)	46.21
Less : Depreciation	<u>59.08</u>	<u>57.53</u>
Profit before Tax	(61.25)	(11.32)
Less : Provision for Taxation	—	—
Profit After Tax	<u>(61.25)</u>	<u>(11.32)</u>
Add : Balance of Profit brought forward	0.26	30.68
Less : Extra Ordinary Items	0.30	—
Surplus available for Appropriations :	<u>(61.29)</u>	<u>19.36</u>
a) Proposed Dividend	22.81	22.81
b) Tax on Dividend	2.50	2.28
c) Transfer to General Reserve	<u>(87.00)</u>	<u>(6.00)</u>
Balance carried to Balance Sheet	<u>0.40</u>	<u>0.27</u>

2. DIVIDENDS

Your Directors recommend a Dividend of Rs. 1/- per Equity Share for the year ended 31st March, 1999. If approved by the Shareholders at the forthcoming Annual General Meeting, the Dividends would absorb a sum of Rs. 22.81 lacs and sum of Rs. 2.50 Lacs have been provided towards Corporate Dividend Tax thereto.



3. REVIEW OF OPERATIONS :

The Company have registered a Sales turnover of Rs. 2233.37 lacs for the year under review as compared to Rs. 2391.33 lacs for the previous year. The production of Kraft Paper & Board for the year under review was 14134 MT as against 12070 MT during the previous year.

4. FIXED DEPOSITS :

At the end of the financial year, there was no overdue Deposits except for 1 (one) unclaimed deposit amounting to Rs. 7.64 lacs.

5. DISCLOSURE OF PARTICULARS :

Informations required under the Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 relating to conservation of energy, technology absorption and foreign exchange earnings and outgo is annexed hereto and forms a part of this report.

6. PARTICULARS OF EMPLOYEES :

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

7. Y2K COMPLIANCE :

Your Company has taken reasonable steps to ensure that we are prepared for the year 2000 date change. The entire process of identification of the impact of year 2000 change has been completed and necessary action taken to gear your Company for a smooth change over into a new millennium.

8. DIRECTORS :

In accordance with the provisions of the Companies Act, 1958 Shri P.T. Shah and Shri S.L. Patel retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

9. AUDITORS :

The Company's Auditors, M/S. Manubhai G. Patel & Co. Chartered Accountants, retire and are eligible for reappointment.

The Auditors in para 2(e) in their report and in annexure to the said report have made certain comments which are self explanatory and in the opinion of the Directors do not call for any further explanation.

For and on behalf of the Board

Mumbai
Date : 23rd August, 1999

P.T.SHAH
Chairman

ANNEXURE I TO DIRECTORS' REPORT 1998-99

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 :

	Current Year ended 31st March, 1999	Previous Year ended 31st March, 1998
1. POWER AND CONSUMPTION :		
a) Electricity		
1) Purchased units (KWH in thousands)	9106.55	9359.08
Total amount (Rs. in lacs)	352.91	324.07
Rate/Unit (Rs.)	3.88	3.46
2) Own Generation :		
Through Diesel Generation	NIL	NIL
Through Steam Turbine/Generator	NIL	NIL
b) Coal	NIL	NIL
The Company uses 'B' AND 'C' Grade coal in its Boilers at Vapi Plant.		
Quantity (M.T.)	4378	6081
Total Cost (Rs. in lacs)	83.57	127.57
Average rate (Rs.)	1908	2097
c) Furnace Oil		
Quantity (Ltrs. in thousands)	705.60	667.55
Total amount (Rs. in lacs)	43.09	42.80
Average Rate (Rs. per Ltr.)	6.11	6.41
d) Other/Internal Generation	NIL	NIL

2. CONSUMPTION PER UNIT OF PRODUCTION :

Product	Current Year ended 31st March, 1999			Previous Year ended 31st March, 1998		
	Electricity (KWH)	Coal (Kgs)	Furnace Oil (Ltr.)	Electricity (KWH)	Coal (Kgs)	Furnace Oil (Ltr.)
1. Paper, Paper Board and Paper Pulp (per tonne)	539	309	49.92	564	503	55.30
2. Texturised/Twisting Yarn (per kg.)	1.48	NIL	NIL	2.16	NIL	NIL

B) TECHNOLOGY ABSORPTION :

Efforts made in Technology Absorption as per Form-B :

1. RESEARCH AND DEVELOPMENT (R&D) :

As already mentioned in the Previous Reports while there is no separate R & D Department, work in this area is being continuously done through joint endeavors of the Technical and Production Staff at the Plant. As a result, the quality has further improved, absorbing the vagaries of the quality of process material with the result that the rejection levels have come down.

Expenditure on R & D :	Rs.
i) Capital	NIL
ii) Recurring	NIL
iii) Total	NIL
iv) Total R & D expenditure as percentage of total turnover	NIL

2. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

Some innovative measures were taken during the year under consideration resulting in improved productivity thereby reducing the cost per tonne of production. Throughout the Company, there is a disciplined production efficiency programme. This is being monitored seriously and continuously. The Company did not import any technology since its inception.

C. FOREIGN EXCHANGE EARNING AND OUTGO :

Total Foreign Exchange used and earned (Rs. in lacs)

Used : Rs. 96.06

Earned : NIL

Report  junction.com

For and on behalf of the Board

Mumbai.
23rd August, 1999

P. T. SHAH
Chairman