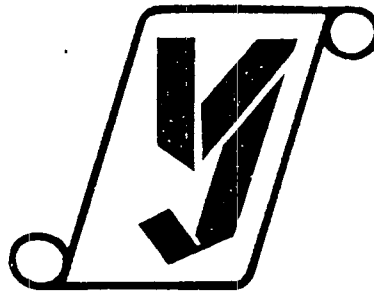


MD	/		BKC	/
CS	NA		DEF	NA
RO	/		DIV	NA
TRA	NA		AC	/
AGM	/	/	SHI	/
YE	/	/		

# YASH PAPERS LIMITED



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SIXTEENTH ANNUAL REPORT  
1996-97



# YASH PAPERS LIMITED

## BOARD OF DIRECTORS

G. NARAYANA	<i>Chairman</i>
K. K. JHUNJHUNWALA	<i>Managing Director</i>
G. N. GUPTA I.R.S.	
MANJULA JHUNJHUNWALA	
Dr. P. BANERJEE	
A. R. NIGHOSKAR	
R. N. CHAKRABORTY	<i>Executive Director</i>

## BANKERS

STATE BANK OF INDIA  
THE BENARES STATE BANK LTD.

## AUDITORS

KAPOOR TANDON & CO.  
Chartered Accountants  
KANPUR

## REGISTERED OFFICE

47/81, HATIA BAZAR,  
KANPUR-208 001

## WORKS & CORPORATE OFFICE

YASH NAGAR  
P.O. DARSHAN NAGAR,  
FAIZABAD-224 135  
PHONES : 23589, 23777  
FAX : 05278-24284

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# YASH PAPERS LIMITED

## HIGHLIGHTS

(Rs. in lacs)

	1988	1989 (6 months)	1990	1991	1992	1993	1994	1995	1996	1997
<b>OPERATING RESULTS</b>										
Sales & Other Income	241.26	169.42	412.17	532.72	786.10	1017.74	1228.71	1619.23	1957.57	1722.05
Raw Material	44.39	29.19	77.12	84.21	206.73	268.11	280.97	340.17	346.14	364.98
Manufacturing Expenses	46.94	31.86	77.41	110.24	137.19	218.11	263.90	337.40	339.07	321.60
Power & Fuel	47.80	25.41	51.62	75.32	144.29	222.88	256.75	361.93	412.93	452.70
Stores & Repairs	18.35	5.29	17.91	21.27	35.81	37.05	43.48	45.20	70.48	63.43
Salaries & Wages	19.51	12.12	28.48	31.21	48.65	61.96	86.29	99.10	106.19	103.36
Administrative & Selling Exp.	29.89	19.40	69.33	73.07	89.16	84.89	104.50	145.65	236.87	229.27
Interest	9.86	4.90	9.88	10.78	35.56	49.46	53.74	90.30	122.47	168.01
Gross Profit	24.52	41.25	80.42	126.62	88.72	75.28	139.08	199.48	323.42	18.70
Depreciation	15.76	15.43	19.26	25.42	42.71	47.42	44.48	58.38	69.20	83.72
Provision for Taxation	1.56	-	11.00	10.00	8.00	-	-	-	-	-
Net Profit/(Loss)	7.20	25.82	50.16	91.20	38.01	27.86	94.60	141.10	254.22	(65.02)
Earning Per Share +	2.32	7.82	7.38	13.41	2.97	1.41	2.45	3.65	6.58	-
Dividend %	-	-	15	15	15	10	12	15	5	-
<b>FINANCIAL SUMMARY</b>										
<i>Assets Employed</i>										
Fixed Assets (At Cost)	186.89	194.16	324.27	528.78	689.48	1071.33	1339.44	1611.89	2046.67	2088.66
Fixed Assets (Net)	66.63	81.45	167.67	347.52	519.47	862.43	1095.75	1323.96	1703.25	1668.27
Investments	-	-	-	-	-	-	2.00	2.00	12.21	5.02
Current Assets (Net)	20.00	65.69	57.57	128.97	171.87	425.22	327.38	329.52	437.02	356.89
Total Assets	86.63	147.14	225.24	476.52	691.34	1287.65	1425.13	1655.48	2152.48	2030.18
<i>Financed By</i>										
Total Shareholders' Funds	6.56	59.60	136.84	217.70	306.38	783.31	842.83	961.92	1186.11	1151.83
Share Capital	34.01	36.01	71.00	71.00	127.80	385.75	386.13	\$416.50	\$416.50	\$416.50
Reserves & Surplus (Net)	(27.45)	23.59	65.64	146.70	178.58	403.56	456.70	545.42	799.61	735.33
Borrowings	80.07	87.54	88.40	258.82	384.96	498.34	582.30	693.56	936.37	878.35
Long Term	52.04	55.84	44.96	210.38	244.95	387.98	390.95	527.40	711.94	674.06
Short Term	28.03	31.70	43.44	48.44	140.01	110.36	191.35	166.16	224.43	204.29
Debit : Equity	12.20	1.47	0.65	1.19	1.26	0.63	0.69	0.72	0.79	0.76
<i>Other Information</i>										
Production in M.T.	2726	1824	3603	4542	6342	8172	9825	10759	10899	10577

+ Subdivision of equity shares of Rs. 100.00 into shares of Rs. 10.00 made in 1991-92 and made comparable. EPS has been annualised in 1992-93 for fresh equity shares allotted in December, 1992.

- Increase due to issue of bonus shares in the ratio 4:5.

\$ Includes Rs 30 lacs deposit against Preferential Equity Warrants.



# YASH PAPERS LIMITED

## NOTICE

NOTICE is hereby given that the Seventeenth Annual General Meeting of the Members of Yash Papers Limited will be held at Hotel, The Landmark, 10, The Mall, Kanpur-208 001 on Thursday, the 14th day of August, 1997 at 4.00 P.M. to transact the following business :

### ORDINARY BUSINESS :

1. To consider and adopt the Audited Balance Sheet as at 31st March, 1997, the Profit & Loss Account for the year ended on that date and the reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri A. R. Nighoskar, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Dr. P. Banerjee, who retires by rotation and is eligible for re-appointment.
4. To appoint auditors and to fix their remuneration.

### SPECIAL BUSINESS :

5. To consider and, if thought fit, to pass with or without modification(s) following resolution as a Special Resolution :  
"RESOLVED THAT pursuant to the provisions of the Sections 198, 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Members and such other approvals as may be necessary, Shri R. N. Chakraborty be and is hereby reappointed to the office of Executive Director of the Company for a period of four years w.e.f. 1st July 1997 to 30th June, 2001 on the following terms and conditions including remuneration :

#### I. Salary

Rs. 12,000/- per month in the grade of 12,000-20,000.

Increment will be effective from 1st June each year, the amount being decided by the Board.

#### II. Perquisites

- (a) In addition to the above, Shri R. N. Chakraborty shall be entitled to perquisites like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, together with utilities such as gas, electricity, water, furnishings and repairs; medical reimbursement; leave travel concession for himself and his family, club fees, medical insurance etc.; in accordance with the Rules of the Company or as may be agreed to by the Board of Directors and Shri R. N. Chakraborty, such perquisites will not be exceeding Rs. 75,000 per annum.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.

Provision for use of the Company's car and telephone, at residence (including payment for local calls and long distance official calls) for official duties shall not be included in the computation of perquisites for the purpose of calculating the said ceilings.

Shri R. N. Chakraborty shall also be entitled to reimbursement of entertainment, travelling, hotel and other expenses actually incurred by him in performance of the duties on behalf of the Company which shall also not be included in the computation of perquisites for the purpose of calculating the said ceilings.

No sitting fees will be paid for attending the meetings of the Board of Directors of the Company or committees thereof.

- (b) Company's contribution to Provident Fund and Superannuation or Annuity Fund, to the extent these either singly or together are not taxable under the Income Tax Act, gratuity payable as per Rules of the



## YASH PAPERS LIMITED

Company and encashment of leave at the end of his tenure shall not be included in the computation of limits for the remuneration or prerequisites aforesaid.

### III Minimum Remuneration

If in any financial year the Company has no profits or its profits are inadequate, remuneration by way of salary and prerequisites will be subject to the ceilings set out in Section II of Part II of Schedule XIII of the Companies Act, 1956.

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

"RESOLVED that in view of modification of previous resolution passed by shareholders in their meeting held on 18th November, 1996, the consent of the Company be and is hereby accorded to the Board of Directors of the Company in terms of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956 for mortgaging and charging by way of first charge and/or second charge and/or pari passu and/or specific charge subject to approval of and as mutually agreed between financial institutions/banks/mutual funds/bodies corporate and other investment institutions all immovable properties and fixed assets of the Company wheresoever situated both present and future and the whole of the undertaking(s) of the Company to or in favour of IDBI, IFCI, PICUP, UPFC, Banks, mutual funds, bodies corporate and other investment institutions as first charge/specific charge for their respective term loans/other loans and Banks as second charge for their working capital facilities sanctioned or to be sanctioned from time to time to the Company together with charges as stipulated and/or to be stipulated.

7. To consider and, if thought fit, to pass with or without modification(s) following resolution as a Special Resolution :

"RESOLVED that in supersession of resolution passed in the Annual General Meeting held on 29th September, 1995, SEBI, Stock Exchanges and other Government authorities may be approached to authorise the company to receive the balance money i.e. 90% of allotment money of Equity Warrants amounting to Rs. 270.00 lacs by 21st December, 1999.

"FURTHER RESOLVED that in the event of not allowing the company to allot Shares during the extended period i.e. upto 21st December, 1999 the Board of Directors may be allowed to allot Equity Shares against upfront money of Rs. 30.00 lacs lying credited to Option Money Equity Warrant Account at the issue price of Rs. 10/- per Share or average market price of last six months upto the date of allotment whichever is higher.

"FURTHER RESOLVED that the Board of Directors be and is hereby authorised to approach SEBI, Stock exchanges and other authorities in this regard."

### NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE ONLY ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The proxy form must be deposited at the Registered Office not less than 48 hours before the time of the Annual General Meeting.
3. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business under item Nos. 5 to 7 set out above is annexed hereto.
4. The Register of Members and the Share Transfer Books of the Company shall remain closed from 9th day of August, 1997 to 14th day of August, 1997 (both days inclusive).
5. Pursuant to the Section 205A of the Companies Act, 1956, all unclaimed dividends relating to the financial year ended on 31st March 1993 have been deposited to the General Revenue Account of the Central Government. The Members who have not encashed the Dividend Warrant(s) for the said year are requested to claim the amount(s) from the Registrar of Companies U.P., Westcot Building, The Mall, Kanpur - 208 001.

**YASH PAPERS LIMITED**

6. The unclaimed dividends for the following financial years will be deposited by the Company with the Central Government after the dates specified against the year :

31st March, 1994 - 6th November, 1997

31st March, 1995 - 7th November, 1998

31st March, 1996 - 22nd December, 1999

Shareholders who have not encashed the dividend warrants for the above years are therefore, requested to immediately forward the same duly discharged to the Company to facilitate payment.

7. Members are requested to inform the change, if any, in their registered address to the Company at Company's Corporate Office at Yash Nagar, P.O. Darshan Nagar, Faizabad-224 135 (U.P.).
8. The Company has setup in-house **Investor Service Department** at our Corporate Office, Yash Nagar, P.O. Darshan Nagar, Distt. Faizabad-224 135 (U.P.) in order to render prompt and efficient services to all investors. The investors are requested to correspond at the aforesaid address in respect of all communications.

By Order of the Board of Directors

Place : Faizabad

Date : 23.06.97

K. K. JHUNJHUNWALA

*Managing Director*

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## YASH PAPERS LIMITED

### ANNEXURE TO THE NOTICE

#### EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

##### Item No. 5

Shri R. N. Chakraborty was appointed as Executive Director of the Company for a period of 5 years w.e.f. 1st July, 1992 and the term is expiring on 30th June, 1997. The activities and business of the Company have increased considerably. The Board of Directors in their meeting held on 23rd June, 1997 have considered to reappoint him as Executive Director of the Company for a period of 4 years. The Board recommends the appointment for a period of 4 years w.e.f. 1st July, 1997.

Shri R. N. Chakraborty is interested in the resolution to the extent remuneration payable to him.

##### Item No. 6

U. P. Financial Corporation has sanctioned Rs. 25.00 lacs under the Line of Credit Scheme for purchase of capital goods. It is proposed to avail the loan under the scheme to meet the cost of new plant and machinery or equipments required for replacement/upgradation/modification and the Company has to enter into loan agreement/loan cum guarantee agreement/agreement(s) with the above or any other Financial Institution.

The Company shall execute and register in their favour equitable, joint equitable mortgage, further charge, additional security to secure the aforesaid facility/facilities, the present loan(s) and future loan(s)

The Board of Directors recommend this resolution for the acceptance of the Members.

None of the Directors is concerned or interested in this resolution.

##### Item No. 7

Equity Warrants of Rs. 300 lacs were issued to promoters and their associates in terms of resolutions passed by the shareholders in their Annual General Meeting held on 29th September, 1994. It was anticipated in August, 1995 that the Company will not require enlarged working capital and therefore it was felt that raising of additional Equity Capital would not be beneficial either to the shareholder or the Company. Accordingly shareholders in their Annual General Meeting held on 29th September, 1995 had approved to refund the upfront money or receive the balance money by 21st December, 1997 after obtaining requisite permissions.

Looking to the probable requirement of the raising requisite Equity Capital two years hence, the Board of Directors feel that in supersession of the resolutions passed in the Annual General Meeting held on 29th September, 1995, the Company may be authorised to receive balance money Rs. 270 lacs by 21/12/99 after obtaining necessary permission from SEBI, Stock Exchange and any other authority which is requisite. In case Company is not able to secure necessary permission, it is proposed by way of alternative that the Board of Directors may be allowed to allot Equity Shares equivalent to upfront money of Rs. 30 lacs at the price indicated in the resolution.

The Board of Directors recommend this resolution for the acceptance of the Members.

The Directors may be deemed to be concerned or interested to the extent of their holding in the Equity Warrants

By Order of the Board of Directors

Place : Faizabad  
Date : 23.06.97

K. K. JHUNJHUNWALA  
Managing Director





# YASH PAPERS LIMITED

## DIRECTOR'S REPORT

TO,  
THE MEMBERS

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

	Rs. in lacs	
	Year ended 31st March 1997	1996
<b>FINANCIAL RESULTS</b>		
Profit Before Depreciation and taxation ...	18.70	323.42
Less : Provision for :		
Depreciation ...	83.72	69.20
Taxation ...	Nil	Nil
Profit/(Loss) after Tax ...	(65.02)	254.22
Prior Year Adjustments ...	(4.04)	(0.52)
Balance of Profit/(Loss) ...	(69.06)	253.70
Add : Transfer from Investment Allowance (Utilised) Reserve ...	2.35	2.87
Previous Year Balance of Profit and Loss Account ...	328.04	205.80
Balance available for appropriation ...	261.33	462.37
Less : Appropriations :		
Dividend ...	Nil	19.33
General Reserve ...	Nil	115.00
Balance carried over to Balance sheet ...	261.33	328.04

### DIVIDEND

In view of losses incurred during the year, the Directors do not recommend any dividend.

### EQUITY WARRANT

The Board of Directors had allotted Equity Warrants of Rs. 300 lacs to promoters and associates against which conversion has not been opted for during the year. Apropos the resolution passed by the Shareholders in their meeting dated 29th September, 1995, approval from SEBI is awaited.

### RESERVES

The total reserves as on 31st March, 1997 stood at Rs. 764.08 lacs as compared to Rs. 833.14 lacs of the preceding year.

### OPERATIONS

During the year under consideration, production came down from 10899 MT to 10577 MT. Quantity of paper sold also came down from 10830 MT to 10592 MT. In money values, the turnover came down from Rs. 1905.55 lacs to Rs. 1680.01 lacs resulting in shortfall of 11.84%. This was due to adverse market conditions and vagaries of power supply.

The cogeneration unit which was successfully commissioned towards the end of the last year, started giving problems and developed technical snags. An amount of Rs. 31.07 lacs was spent for putting additional balancing equipments to overcome the aforesaid snags. The cogeneration unit started functioning efficiently during the year.





## YASH PAPERS LIMITED

### OUTLOOK

The market continued to be sluggish but improvement is expected as Government has imposed various restrictions on import. The Company should save substantial amount under power and fuel head due to successful running of 2.5 MW captive power plant.

Your Board is confident that barring unforeseen circumstances, your Company should do well in the current year.

### INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956

The particulars under Section 217 (2A) of the Companies Act, 1956 are given below :-

Name	:	K. K. Jhunjhunwala
Designation	:	Managing Director
Remuneration	:	Rs. 6,34,333/-
Qualification	:	B. Com., Dip. Paper Tech.
Experience	:	27 years
Date of commencement of employment	:	05.05.1981
Age	:	47 years
Last Employment held	:	M/s. Vishnu Strawboards Ltd, Faizabad, Managing Director

Note : The employment is contractual for a period of five years.

The informations required under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 is given in Annexure and forms part of this report.

### DEPOSITS

The Company has not accepted any deposits from the public during the year.

### DIRECTORS

Shri A. R. Nighoskar and Dr. P. Banerjee retire by rotation and, being eligible, offer themselves for reappointment.

### LISTING AGREEMENT

Cash Flow statement for the year ended 31st March, 1997 pursuant to Clause 32 of the Listing Agreement is being sent separately.

### AUDITORS

M/s. Kapoor Tandon & Co., Chartered Accountants, Kanpur retire at this Annual General Meeting and are eligible for re-appointment as Auditors.

### EMPLOYEES

The relations with the employees continued to remain cordial.

### ACKNOWLEDGEMENT

Your Directors take this opportunity to express their high gratitude to the Bankers and Financial Institutions for the valuable assistance and support received during the year.

Your Directors are also happy to place on record their appreciation of the dedicated and excellent contribution made by entire 'YASH' family.

Place : Faizabad

Date : 23.06.97

For and on Behalf of the Board

K. K. JHUNJHUNWALA

Managing Director