

Period ended on 31st December, 2002

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YASH PAPERS LIMITED

Focussing on today. Working towards tomorrow.



BOARD OF DIRECTORS

G. NARAYANA

K. K. JHUNJHUNWALA

G. N. GUPTA, Retd. I.R.S.

MANJULA JHUNJHUNWALA

DR. P. BANERJEE

R. N. CHAKRABORTY

VED KRISHNA

A. K. GUPTA

Chairman

Managing Director

Executive Director

Joint Managing Director

Director Finance

COMPANY SECRETARY

Alok Mishra

BANKERS

State Bank of India Canara Bank

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 (U.P.)

Phone: 05278-258589, 258777

Fax: 05278 - 258062

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Report

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									•	. in lacs)
	1994	1995	1996	1997	1998	1 99 9	2000	2001	2002	Dec. '0 (9 months
OPERATING RESULTS										
Sales & Other Income	1228.71	1619.23	1957.57	1722.05	1744.63	1729.72	1905.16	2246.45	2195.19	1918.2
Raw material	280.97	340.17	346.14	364.98	412.09	407.95	449.01	432.60	413.14	376.3
Manufacturing Expenses	263.90	337.40	339.07	321.60	297.79	288.38	339.59	432.06	435.24	266.6
Power & Fuel	256.75	361.93	412.93	452.70	363.64	276.87	227.84	259.92	242.44	222.6
Stores & Repairs	43.48	45.20	70.48	63.43	63.65	110.92	102.23	120.26	113.67	98.4
Salaries & Wages	86.29	99.10	106.19	103.36	115.07	122.10	148.70	161.22	158.25	140.3
Administrative & Selling Exp.	104.50	145.65	236.87	229.27	220.56	237.10	296.52	448.13	415.48	389.9
Interest	53.74	90.30	122.47	168.01	160.57	147.69	149.52	133.87	141.64	80.5
Gross Profit	139.08	199.48	323.42	18.70	111.26	138.71	191.75	258.39	275.33	343.3
Depreciation	44.48	58.38	69.20	83.72	100.34	103.93	107.42	115.44	131.86	104.1
Provision for Taxation		-								
- Current Tax	•	-	-	-	1.20	3.70	9.75	12.50	11.00	18.8
- Defferred Tax	-	-		-	-	-	-	-	55.29	85.2
Net Profit/ (Loss)	94.60	141.10	254.22	(65.02)	9.72	31.08	74.58	130.45	77.18	135.1
Earning Per Share	2.45	3.65	6.58	` -	0.25	0.81	1.93	3.37	2.00	3.5
Dividend %	12	15	5	-			•	•	5	1
FINANCIAL SUMMARY										•
Assets Employed										
Fixed Assets (At Cost)	1339.44	1611.89	2046.67	2088.66	2127.85	2204.25	2353.59	2691.67	2845.29	2930.6
Fixed Assets (Net)	1095.75			7	1612.53					
Investments	2.00	2.00	12.21	5.02	5.26	5.25	5.31	5.31	1.81	1.7
Current Assets (Net)	327.38	329.52			427.69	446.10	520.48	540.56	499.98	379.9
Defferred Tax Asset/(Liability)		•						-	(363.22)	
Total Assets		1655.48	2152.48	2030.18	2045.48	2051.98	2195.32	2452.15	•	•
Financed By		, = = = • • •								
Total Shareholder's Funds	842.83	961.92	1186.11	1151.83	1166.90	1203.04	1284.89	1420.13	1174.02	1,271.2
Share Capital				\$416.50		386.55		386.55		386.5
Reserves & Surplus (Net)	456.70	545.42	-	•	750.35	816.49		1033.58		884.67
Borrowings	582.30	693.56	936.37	878.35	878.58	848.94		1032.02		606.5
Long Term	390.95	527.40	711.94		605.16	576.41	600.06	736.13		560.2
Short Term	191.35	166.16			273.42	272.53	310.38		237.16	46.2
Debt : Equity	0.69	0.72		0.76	0.75	0.70	0.71	0.73	0.78	0.4
Other Information	2.00	<u>-</u>	2 3	2., 0	3.70	5.70	0.71	0.70	0.70	U. T
Production in M.T.	9825	10759	10899	10577	11262	10980	12319	12757	12820	1118

NOTICE

NOTICE is hereby given that the 23rd Annual General Meeting of the Members of Yash Papers Limited will be held at 'Hotel', The Landmark 10, The Mall, Kanpur - 208 001 on Monday, the 16th day of June, 2003 at 1:15 PM to transact the following business:

Ordinary Business

- 1. To receive, consider and adopt the Audited Balance sheet as at 31st December, 2002 and the Profit & Loss Account for the period ended on that date and the reports of the Directors and Auditors thereon.
- 2. To declare dividend.
- 3. To appoint a Director in place of Shri R. N. Chakrabotry, who retires by rotation and being eligible, offers himself for re-appointment.
- 4. To appoint a Director in place of Dr. P. Banerjee, who retires by rotation and being eligible, offers himself for re-appointment.
- 5. To appoint auditors and fix their remuneration.

Special Business:

- 6. To consider and, if thought fit, to pass with or without modification(s) following resolution as an Ordinary Resolution.
 - "RESOLVED that Mr. D.S. Gandikota, who was appointed as an Additional Director pursuant to section 260 of the Companies Act, 1956, and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a member, in writing, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company subject to retirement by rotation under the Articles of the Company."
- 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 earlier, the consent of the Company be and is hereby accorded to the Board of Directors, pursuant to section 293 (1) (d) and other applicable provisions, if any, of the Companies Act, 1956, for borrowings by the Board of Directors of the Company from time to time any sum or sums of monies which togeter with the monies already borrowed by the Company (apart from the temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Company or outstanding shall not, at any time, exceed the sum of Rs. 30.00 crores (Rupees thirty crores)".
- 8. To consider and, if thought fit, to pass with or without modification(s) following resolution as an Ordinary Resolution.
 - "RESOLVED that the consent of the Company be and it 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 to mortgage and/or charge and/or hypothecate by way of first charge and/or second chage and/or pari passu, in addition to the mortgages/charges/hypothecations created or to be created by the Company in such form and manner and with such ranking in consultation with the lender(s) and on such terms and conditions as the Board may deem fit, on all or any of the movable and/or immovable properties of the Company wheresoever situated both present and future in favour of trustess for debentures/bonds/other instruments and/or lender (s) for their respective term loans/other loans and Banks for their working capital facilities sanctioned or to be sanctioned from time to time to the Company together with interest, commitment charges, liquidated damages, costs, charges, expenses and other monies whatsoever payable by the Company to various lenders in terms of the Loan Agreement / Hypothecation Agreement / Agreements entered into or to be entered into by the Company in respect of loan(s)/ debentures/bonds/other instruments taken or to be taken provided the same shall not exceed including existing borrowings in terms of section 293 (1) (d) beyond Rs. 30 crores in aggregate."

"RESOLVED FURTHER that the Board be and is hereby authorized to finalise and execute such documents/ deeds/agreements/hypothecations etc. as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, appropriate or expedient for giving effect to the above resolution."

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- 9. (a) To consider and, if thought fit, to pass with or without modifications (s) following resolution as a Special Resolution:
 - "RESOLVED that the unissued authorized capital of the company be and is hereby reclassified to be divided into 40,00,000 (40 lacs) equity shares of Rs. 10/- each (Rupees ten) and 3,00,000 (Three lacs) preference shares of Rs. 100/- (Rupees hundred) each and over all authorised capital shall remain same i.e. Rs. 7 crores".
 - (b) To consider and, if thought fit, to pass with or without modification (s) following resolution as a Special Resolution:
 - "RESOLVED that clause (vi) of the Memorandum and Articles of Association of the Company be substituted with the new clause as under:
 - The authorised share capital of the company shall be 7,00,00,000 (Rupees seven crores) divided into 40,00,000 (Forty lacs) Equity Shares of Rs. 10/- (Rupees ten) each and 3,00,000 (Three lacs) Preference Shares of Rs. 100/- (Rupees hundred) each with power to increase and reduce the capital of the company and to divide the shares in the capital for the time being into several classes and attach thereto respectively such prefrential, qualified or special right, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956 or provided by the Articles of Association of the Company for the time being."
 - (c) To consider and, if thought fit, to pass with or without modification (s) following resolution as a Special Resolution:

 "RESOLVED that clause 4 of the Articles of Association of the company be substituted with the new clause as under:
 - The authorised share capital of the company is Rs. 7,00,00,000 (Rupees seven crores) divided into 40,00,000 (Forty lacs) Equity shares of Rs. 10/- (Rupees ten) each and 3,00,000 (Three lacs) preference shares of Rs. 100/- (One hundred) each."
- 10. To consider and, if thought fit to pass with or without modifications (s) following resolution as a Special Resolution:
 - "RESOLVED that pursuant to Section 81 (1A) of the Companies Act, 1956 and subject to all necessary approvals, permissions, consent from various authorities, the consent of the Company be and is hereby accorded to issue and allot preference shares on private placement basis to persons, whether they are member of the Company or not like Individuals, Body Corporate, Overseas Body Corporate, NRI, Mutual Funds, Financial Institutions, Banks, Promoters etc. for the amount not exceeding Rs. 3 crores divided into 3,00,000 preference shares of Rs. 100/- each at par on such terms and conditions including the rate of dividend, terms of redemption etc. as the Board may think fit."
 - "FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorised, empowered to decide terms and conditions and to deal with the difficulties, if any, arising out of above proposal and to do all other act, things, and deeds."
- 11. To consider and, if thought fit to pass with or without modifications (s) following resolution as an Ordinary Resolution:
 - "RESOLVED that pursuant to provision of the Sections 198, 269, 309 and 311 read with Schedule XIII 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, the Company hereby approves the payment of enhanced remuneration to Shri Ved Krishna, Jt. Managing Director of the Company for the remaining period of his tenure w.e.f. 1st June, 2003 on the following terms and conditions:-
 - (a) Salary grade is revised to Rs. 35000 60000 per month. Increment will be effective from 1st June each year, the amount being decided by the Board.
 - (b) However other terms and conditions of his appointment with respect to the perquisites, leave and other benefits etc. shall remain unchanged.
 - Minimum remuneration: If in any financial year the company has no profits or its profits are inadequate, remuneration by way of salary and perquisites will be subject to the ceilings set out in Section II of Part II of Schedule XIII of the Companies Act, 1956.
- 12. To consider and, if thought fit to pass with or without modifications (s) following resolution as an Ordinary Resolution:
 - "RESOLVED that pursuant to provision of the Sections 198, 269, 309 and 311 read with Schedule XIII and other

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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, the Company hereby approves the payment of enhanced remuneration to Shri Arvind Kumar Gupta, Director Finance of the Company for the remaining period of his tenure w.e.f. 1st June, 2003 on the following terms and conditions:-

- (a) Salary grade is revised to Rs. 20000 30000 per month. Increment will be effective from 1st June each year, the amount being decided by the Board.
- (b) However other terms and conditions of his appointment with respect to the perquisites, leave and other benefits etc. shall remain unchanged.

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

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ONLY ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- 2. The Explanatory Statement, as required under Section 173 (2) of the Companies Act, 1956, is annexed hereto
- 3. The proxy form must be deposited at the Registered office of the company not less than 48 hours before the commencement of the Annual General Meeting.
- 4. The Register of Members and the Share Transfer Books of the Company shall remain closed from the 10th June, 2003 to 13th June, 2003 (both days inclusive).
- 5. Dividend recommended by the Board and approved by the members at the Annual General Meeting will be paid to those shareholders, whose names appear in the Register of Members of the Company on 13th June, 2003 or in the Register of Beneficial Owners maintained by the Depositories as at the close of their business hours on 9th June, 2003.
- 6. Member are requested to communicate their Bank account number, Branch so that the same may be included in their dividend warrants.
- 7. Pursuant to the Section 205A of the Companies Act, 1956, all unclaimed dividends upto the financial year ended 31st March, 1994 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 (s) are requested to claim the amounts (s) from the Registrar of Companies U.P., Westcott Building. The Mall, Kanpur-208001. In case any assistance is required members may write to the company.
- 8. Pursuant to the Section 205B of the Companies Act, 1956, all unclaimed dividends for the financial year ended on 31st March, 1995 have been deposited to the Investor Education and Protection Fund (IEPF) constituted by the Central Government under applicable provisions of the Companies Act, 1956, on 7th November, 2002.
- The unclaimed/unencashed dividends for the following financial years shall be transferred by the Company, to Investor Education and Protection Fund (IEPF) constituted by the Central Government under applicable provisions of the Companies Act. 1956, on the dates specified against the year.

31st March, 1996 - 22nd December, 2003 31st March, 2002 - 25th August, 2009

Please note that under the amended provisions of Section 205B of the Companies Act, 1956 no claim shall lie for the unclaimed dividend from IEPF by the shareholders.

Shareholders who have not encashed the dividend warrants for the above year(s) are therefore, requested to approach the Company for the revalidation of warrant(s) or issue of duplicate thereof.

10. Members are requested to inform the change of their registered address to the Company at its Corporated office at Yash Nagar, P.O. Darshan Nagar, Faizabad - 224 135 (U.P.) by quoting their folio numbers.

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- 11. Members desirous of obtaining any information as regard accounts and operations of the Company are requested to write to the Company at least one week before the meeting, so that the information could be made available at the meeting.
- 12. The Company has been alloted ISIN No. INE551D01018. Members are requested to approach their DPs for dematerialisation of equity shares of the Company.
- 13. All material documents are open for inspection by the members on all working days at the Registered Office of the Company till the conclusion of the meeting.
- 14. As per the provisions of the Companies (Amendment) Act, 1999, facility for making nominations is now available to the shareholders, debentureholders and fixed deposit holders in respect of the shares, debentures or deposits held by them. The nominations can be made by filing the prescribed Form No. 2B. Nomination forms may also be requisitioned from the Company.
- 15. Members/Proxies are requested to bring attendance slip duly filled in along with their copies of Annual Report in the meeting.
- 16. Appointment/Reappointment of Directors:

At the ensuing Annual General Meeting, Shri D. S. Dandikota is considered for the office of Director of the Company who was appointed as an Additional Director, Shri R. N. Chakraborty and Dr. P. Banerjee retire by rotation and being eligible offer themselves for reappointment. The information or details to be provided for the aforesaid Directors under Corporate Governance code are as under:

- (a) Shri R. N. Chakraborty, aged 51 years is B.A. He has 20 years of very wide experience in different fields and specialisation in management and industry. He has been associated with the Company since inception. He has been Administrative Manager and presently he is Executive Director of the Company.
- (b) Dr. P. Banerjee, aged 55 years is B.Sc., B.M.S. He is a reputed Homoeopathic Doctor at Faizabad having good liasoning with local authorities, Which is very helpful for the Company and is on Board of the Company since 02.03.1985
- (c) Shri D. S. Gandikota, aged 45 years is B. Tech. (Chemical Engineering). He has 22 years of very rich experience in the fields of engineering and management. He has also held senior positions in various Indian and International business organisations. He has been associated with the Company since 1994 for instrumentation and as a consultant of engineering operations.



EXPLANATORY STATEMENT

(Under Section 173 (2) of the Companies Act, 1956)

Item No. 6

Pursuant to Section 260 of the Companies Act, 1956 Shri D. S. Gandikota was appointed as an Additional Director of the Company with effect from 1st August, 2002. Shri D. S. Gandikota, will hold office as an Additional Director upto the date of ensuing Annual General Meeting. The Company has received a notice in writing from a member alongwith a deposit of Rs. 500/- proposing the candidature of Shri D. S. Gandikota for the office of Director of the Company under the provisions of Section 257 of the Companies Act, 1956.

Shri D. S. Gandikota aged 45 years is a Chemical Engineer. He has 22 years of rich experience in the field of project implementation, plant operation and maintenance, basic and detailed design/engineering. He was associated with the company since 1994 for instrumentation and as a consultant of engineering operations. Keeping in view his vast experience and knowledge, it will be in the interest of the Company that Shri D. S. Gandikota is appointed as a Director of the Company. Your Directors, therefore recommend the resolution for your approval.

Save and except Shri D. S. Gandikota none of the other directors of the Company is, in any way, concerned or interested in this resolution.

Item No. 7

The consent of the Company was accorded to the Board of Directors by the shareholders in the meeting dated 31st July, 2001 for borrowing from time to time all such sums of money upto a limit of Rs. 15 crores (Rupees fifteen crores) (apart from temporary loans obtained or to be obtained from Company's Bankers in the ordinary course of business) over and above the aggregate of the paid up capital of the Company and its free reserves.

The Company has planned major expansion to double its manufacturing capacity. The present borrowing limit of Rs. 15 crores over and above the aggregate of the paid up capital of the Company and its free reserves is, therefore, considered inadequate. The consent of the Company in General Meeting under Section 293 (1) (d) of the Companies Act, 1956, is, therefore being sought for increasing the borrowing limit upto Rs. 30 crores (Rupees thirty crores) over and above the aggregate of the paid up capital of the Company and its free reserves.

Hence, the resolution at item no. 7 of the notice is recommended for your approval.

None of the Directors of the Company is, any way, concerned or interested in this resolution.

Item No. 8

To meet the capital expenditure requirements of the proposed expansion, the Company proposes to obtain in the coming years financial assistance from Financial Institution(s) / Banks / Other lender(s) by way of loans/debentures/ bonds/other instruments and also in course of working of the Company, The Bank(s) might be approached for enhanced working capital limits as set out in the resolution. The borrowing of the Company are required to be secured by suitable mortgages and/or charges and/or hypothecations on all or any of the existing and/or future movable or immovable properties of the Company in such form, manner and ranking as may be determined by the Board of Directors of the Company in consultation with lender(s).

Such mortgage and/or charge and/or hypothecation of the Company's movable and/or immovable properties in favour of the lender(s) may be regarded as disposal of the undertaking(s) of the Company or a substantial part thereof, in terms of Section 293 (1) (a) of the Companies Act, 1956.

Section 293 (1) (a) of the Companies Act, 1956, provides inter-alia that the Board of Directors of the Company, shall not, without the consent of the Company in the General Meeting sell, lease, mortgage, or otherwise dispose off the whole or substantially the whole, of the undertaking of the Company or where the Company owns more than one undertaking, of the whole, or substantially whole, of any such undertaking.

Hence, the resolution at item no. 8 of the notice is recommended for your approval.

It is pertinent to mention that the existing borrowing with future borrowings from time to time would be within the limits of Rupees 30 crores as laid down by the shareholders under Section 293(1) (d) of the Companies Act, 1956.

None of the Directors of the Company is, any way, concerned or interested in this resolution.



Item No. 9

The authorised capital of the company consists of 69,50,000 equity shares of Rs. 10/- each and 5,000 preference shares of Rs. 100/- each. Thus aggregating Rs. 7 crores. The issued capital of the Company consists of 38,65,500 Equity shares or Rs. 10/- each. In order to arrange long term funds not having the equity features it has been though fit to reclassify the capital in order to facilitate issue of preference shares on such terms and conditions including the dividend rate, redemption etc. for the aforesaid purpose.

Therefore, resolution under section 94 of the Companies Act, 1956 and other applicable provisions is placed before you for approval as a Special Resolution.

The resolutions at item no. 9(b) & 9(c) are the consequential amendment in the Memorandum and Articles of Association to be effective on approval of reclassification of capital at item no. 9(a). The amendment in the Articles can be carried out by way of Special Resolution in the terms of Section 31 of the Companies Act, 1956. Hence business at item no. 9(b) & 9(c) are placed before you for your approval as Special Resolution.

None of the director is interested or concerned in the resolution save and except the preference shares, which may be alloted and issued to them or their relatives and/or associates.

Item No. 10

In order to arrange the long term furnd in the company to meet its requirement of expansion as well as working capital requirement the Board is exploring the possibilites to privately place (not by way of right/public issue) the preference shares on such coupon/dividend rate with the redemption clause as may be suitable to the Company and acceptable to the subscriber depending upon the market forces.

Section 81 of the Companies Act, 1956 requires that any further issue of capital at first instance to be offered to the existing shareholder unless the shareholders grants the permissions/consent under section 81(1A) by way of Special Resolution. Therefore an enabling resolution conferring the powers to the Board for issue and allotment etc. at item no. 10 is placed before you for your approval by way of Special Resolution.

The directors may be deemed to be interested in the resolution to the extent the preference shares may offered to him or their relatives and/or their associates.

Item No. 11

Shri Ved Krishna was appointed as Jt. Managing Director of the Company for a period of 5 years w.e.f. 1st August, 1999. Shri Ved Krishna is being paid remuneration of Rs. 35,000/- per month, which is the maximum level of his present salary grade. The Remuneration Committee had approved and recommended to Board for consideration of revision in payscale. The Board of Directors in their meeting dated 27th April, 2003 had approved payment of enhanced remuneration to Shri Ved Krishna.

Hence the resoultion at item no. 11 is placed before you for your approval as an Ordinary Resolution.

None of the director, except Shri Ved Krishna, Shri K. K. Jhunjhunwala and Smt. Manjula Jhunjhunwala, is interested or concered in the resolution.

Item No. 12

Shri Arvind Kumar Gupta was appointed as Director Finance of the Company for a period of 5 years w.e.f. 1st June, 1999. Shri Arvind Kumar Gupta is being paid remuneration of Rs. 19,750/- per month, which is very close to maximum level of his present salary grade. The Remuneration Committee had approved and recommended to Board for consideration of revision in payscale. The Board of Directors in their meeting dated 27th April, 2003 had approved payment of enhanced remuneration to Shri Arvind Kumar Gupta.

Hence the resoultion at item no. 12 is placed before you for your approval as an Ordinary Resolution.

None of the director, except Shri Arvind Kumar Gupta, is interested or concered in the resolution.

By Order of the Board

Place: New Delhi Date: 27.04,2003 K. K. Jhunjhunwala Managing Director

DIRECTOR'S REPORT

TO

THE MEMBERS

Your Directors have pleasure in presenting their 22nd Annual Report together with the Audited Accounts for the period ended 31st December, 2002.

FINANCIAL RESULTS:

	Period ended on 31.12.2002 (9 months)	Year Ended on 31.3.2002 (12 months)
Profit before depreciation and taxation	343.34	275.33
Less: Provisions for:		
Depreciation	104.10	131.86
Current Tax (MAT)	18.84	11.00
Deferred Tax	85.24	55.29
Profit after tax	135.16	77.18
Prior Year Adjustments	(2.91)	(0.82)
Balance of Profit	132.25	76.36
Previous year balance of Profit and Loss Account	255.56	298.53
Balance available for appropriation	387.81	374.89
Less: Appropriations:		
General Reserve	157.93	100.00
Proposed dividend	38.66	19.33
Balance carried over to Balance Sheet	191.22	255.56

DIVIDEND

The Company has had a much improved performance this year owing to increase in efficiency and decrease in input costs. In keeping with the performance, the Board of Directors recommend an enhanced dividend of Rs. 1.00 (10%) per equity share, subject to deduction of tax at source. The dividend will absorb Rs. 38.66 lacs.

ACCOUNTING YEAR

The company has changed the accounting year from March to December. Accordingly the accounting period under review comprises of 9 months from April 1, 2002 to December 31, 2002. In view of the same the figures for current period and previous year are not comparable.

OPERATIONS

The Company has achieved a production of 11,188 MT and sales of 10,857 MT in the period of 9 months against production of 12820 MT and sales of 13236 MT in previous year. The turnover was of Rs. 1838.05 lacs in the period ended of 9 months against Rs. 2205.99 lacs in previous year showing an increase of 11.09% on annualised basis.

EXPORT

The Company exported paper to the extent of Rs. 115.04 lacs during the 9 months period against Rs. 129.89 lacs in the previous year.