

76th

Annual Report
2010-11



THE MYSORE PAPER MILLS LIMITED





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76th Annual Report

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BOARD OF DIRECTORS

1. GOVERNMENT DIRECTORS :

SHRI ARAGA JNANENDRA, Ex-MLA
CHAIRMAN

SHRI PADAM KUMAR GARG, IPS
MANAGING DIRECTOR, (FROM 02.02.2011)

SHRI K JOTHIRAMALINGAM, IAS
(FROM 20.05.2011)

SHRI AJAY SETH, IAS

SHRI V.P. BALIGAR,
(FROM 23.01.2010 TO 20.05.2011)

2. ELECTED DIRECTORS

SHRI M LAKSHMINARAYANA, IAS

SHRI KAUSHIK MUKHERJEE, IAS.
(FROM 11.08.2011)

SHRI S. PARAMESWARAPPA. IFS, (RETD)

SHRI C. SHIVASHANKAR

SHRI C.B. PATIL OKALY

3. NOMINEE DIRECTORS :

SHRI P.V. SRINIVAS (IFCI)

4. GENERAL MANAGER & COMPANY SECRETARY :

SHRI H.S.N. RAO

5. AUDITORS :

VISHNU, RAJENDRAN & COMPANY
CHARTERED ACCOUNTANTS
NO. 2133, 1ST FLOOR,
15TH MAIN ROAD
GOKULAM
BANGALORE - 560 008

6. LEGAL ADVISOR

SHRI M.R.C. RAVI
(M/S ILPM CONSULTANTS)

7. BANKERS :

STATE BANK OF MYSORE

STATE BANK OF INDIA

CANARA BANK

INDIAN BANK

VIJAYA BANK

HDFC BANK LIMITED



THE MYSORE PAPER MILLS LIMITED

REGD.OFFICE, 16/4, ALI ASKER ROAD

BANGALORE - 560 052

NOTICE:

NOTICE is hereby given that the **SEVENTYSIXTH ANNUAL GENERAL MEETING** of the members of The Mysore Paper Mills Limited will be held on **Friday, the 30th September, 2011, at 2.30 p.m.**, at KAS Officers Association, # 1/1, (Near Police Commissioner's Office), Infantry Road, Bangalore – 560 052, to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Directors' Report, Audited Balance Sheet and Profit and Loss Account for the year ended 31ST March, 2011 along with the Auditors' Report thereon and comments of the Comptroller and Auditor General of India.
2. To appoint a Director in place of Sri. C. Shivashankar, who retires by rotation and being eligible, offers himself for re-appointment.
3. **To consider and, if thought fit, to pass, with or without modifications the following resolution as an Ordinary Resolution:**

"RESOLVED THAT consent of the Company be and is hereby accorded for the payment of remuneration of Rs. 3,25,000/- (Rupees. Three lakhs twenty five thousand only) for FY 2010-11 to M/s. Vishnu Rajendran & Co., Bangalore, Statutory Auditors, besides reimbursement of travelling and out of pocket expenses at actuals subject to other terms and conditions laid down by the Office of the Comptroller and Auditor General of India in their letter No. CA V/COY/ KARNATAKA, MPAPER(1) /1108 dated 26.08.2010".

SPECIAL BUSINESS:

4. **To consider and, if thought fit, to pass, with or without modifications the following resolution as an Ordinary Resolution:**

"RESOLVED THAT Sri. Kaushik Mukherjee, IAS, who was appointed as a Director pursuant to Sec. 262 of the Companies Act, 1956 read with Article 107 of the Articles of Association of the Company, at the Board Meeting held on 11-08-2011 and who holds office as such upto the date of the Annual General Meeting and in respect of whom a Notice under Sec.257 of the Companies Act, 1956 has been received in writing from a member signifying his intention to propose Sri. Kaushik Mukherjee, IAS, as a candidate for the office of the Director of the Company, be and is hereby appointed as a Director of the Company".

REGISTERED OFFICE:

16/4, Ali Asker Road,

Bangalore – 560 052

Date: 11.08.2011.

By the order of the Board
For The Mysore Paper Mills Ltd.,

H.S.N. RAO
COMPANY SECRETARY



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. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM IS ENCLOSED WHICH SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED AND SIGNED NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Register of Members and the Share Transfer Books of the Company will remain closed from 23-09-2011 to 30-09-2011 (both days inclusive).
3. Members are requested to intimate any change in their address to the Registrar & Transfer Agent quoting their Registered Folio Number.
4. Members are requested to bring their copy of Annual Report to the Meeting.
5. Members desiring any additional information on Accounts and operation of the Company at the Meeting are requested to write to the Company at least 7 days in advance of the Annual General Meeting, so that, information may be made readily available.
6. Ministry of Corporate Affairs has announced "Green Initiatives in the Corporate Governance" and permitted Companies to serve notices / documents including Annual Reports to the members of the Company on their registered e-mail addresses. All those shareholders who have not yet registered e-mail IDs or holding shares in the physical form and wish to receive the same through e-mail are requested to register their e-mail IDs with the Company's Share Registrar and Transfer Agents. The form is appended which may be sent in the business reply envelope, the postage on which will be paid by the Company. The members holding shares in electronic form are requested to register their e-mail addresses with their Depository Participants.
7. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, relating to the Special Business to be transacted at the meeting is annexed hereto.

REGISTERED OFFICE:
16/4, Ali Asker Road,
Bangalore – 560 052
Date: 11.08.2011.

By the order of the Board
For The Mysore Paper Mills Ltd.,

H.S.N. RAO
COMPANY SECRETARY



ANNEXURE TO THE NOTICE

Explanatory statement as required under Section 173(2) of the Companies Act 1956:

Item No. 4

Sri Kaushik Mukherjee, IAS was appointed as a Director of the Company by the Board at its meeting held on 11-08-2011 in the casual vacancy caused by the resignation of Ms Meera C. Saxena, IAS, under Section 262 of the Companies Act, 1956 read with Article 107 of the Articles of Association of the Company. He shall hold office only upto the date of the Annual General Meeting of the Company, but shall be eligible for appointment by the Company as a Director subject to the provisions of the Companies Act, 1956. Hence, it is proposed to appoint him as a Director of the Company.

Sri Kaushik Mukherjee, IAS is presently working as Principal Secretary to the GOK, Forest, Ecology and Environment Department, Bangalore. Sri Kaushik Mukherjee is also a Director on the Boards of Karnataka Forest Development Corporation, Karnataka State Forest Industries Corporation, Karnataka State Handicrafts Development Corporation. His appointment as a Director on the Board of the Company will be of immense help to the Company. In view of this, the Board strongly commends the resolution by the shareholders for his appointment as a Director of the Company. A notice under Section 256 of the Companies Act, 1956 has been received in writing from a member of the Company signifying his intention to propose the name of Sri Kaushik Mukherjee for appointment as a Director of the Company. In terms of provisions of the Articles of Association of the Company, 500 shares of Rs.10/- each are held by him as qualification shares .

None of the Directors of the Company except Sri Kaushik Mukherjee is in any way directly or indirectly concerned or interested in the said resolution.

REGISTERED OFFICE:
16/4, Ali Asker Road,
Bangalore – 560 052
Date: 11.08.2011.

By the order of the Board
For The Mysore Paper Mills Ltd.,

H.S.N. RAO
COMPANY SECRETARY



DIRECTORS' REPORT

To the Members,

1. The Directors wish to present the 76th Annual Report together with Audited Accounts of the Company for the year ended 31st March, 2011.

2. OPERATIONAL RESULTS :

The operational results for the year under review are as follows:

(Rs. in Lakhs)

| | FY2010-11 | FY2009-10 | % Change |
|---------------------------------------|--------------|--------------|--------------|
| I PRODUCTION (Qty.in MT) | | | |
| Writing & Printing Paper | 43050 | 46833 | -8.08 |
| Newsprint | 33608 | 34246 | -1.86 |
| TOTAL | 76658 | 81079 | -5.45 |
| Sugar | 27402 | 8020 | 241.67 |
| II SALES (Qty. in MT) | | | |
| Writing & Printing Paper | 47137 | 41324 | 14.07 |
| Newsprint | 33642 | 44895 | -25.07 |
| TOTAL | 80779 | 86219 | -6.31 |
| Sugar | 14470 | 20382 | -29.00 |
| III TURNOVER (Rs. in Lakhs) | | | |
| Writing & Printing Paper | 19709 | 16886 | 16.72 |
| Newsprint | 9806 | 11375 | -13.79 |
| TOTAL | 29515 | 28261 | 4.44 |
| Sugar | 3943 | 5173 | -23.74 |
| Molasses | 268 | 309 | -13.27 |
| TOTAL TURNOVER | 33726 | 33743 | - |
| IV OPERATING LOSS | -5521 | -5004 | |
| V Interest | 1918 | 1709 | |
| VI CASH LOSS | -7439 | -6713 | |
| VII Depreciation | 1039 | 1010 | |
| VIII NET (- Loss) (Rs. In Lakhs) | -8478 | -7723 | |
| IX Balance of loss brought forward | 10925 | 3202 | |
| X Total loss carried to Balance Sheet | 19403 | 10925 | |



It may be seen from the above that during the year under review the production of WPP and NP was less by 8.08 % and 1.86% respectively. The overall decrease in production of paper was 5.45 % from 81079 MT in FY 2010 to 76658 MT in FY 2011 ie less by 4421 MT. In spite of decrease in production of WPP the quantity sold has increased by 14.07% where as in case of NP it was decreased by 25.07%, thereby overall decrease in the quantity of paper sold was also less by 6.31% from 86219 MT to 80779 MT ie less by 5440 MT.

While the quantity wise sale of WPP has gone up by 14.07% and the turnover also up by 16.72%, which was mainly on account of increase in quantity sold coupled with improvement in average net realization. Quantity wise sale of NP and turnover was decreased by 25.07% & 13.79% respectively. The overall increase in turnover of paper was 4.44% from Rs.283 Crore during FY 2010 to Rs.295 Crore during FY 2011.

The production of sugar has gone up by 241.67% due to increase in cane crushing activity and recovery in FY 2011. However, there was decrease in sales in terms of quantity by 29 % due to lesser release from government. The turnover of Sugar was Rs.42.11 Crore as against Rs. 54.82 Crore in the previous year (ie less by 23.18 %) which was due to non sale of levy sugar. The total turnover of the Company was in the region of Rs.33726 lakhs as against the previous year's turnover of Rs.33743 lakhs.

During the year, the company had incurred operating loss, Cash loss and Net loss of Rs. 55.21 Crores, Rs.74.63 Crores and Rs.84.78 Crores compared to previous year losses of Rs.50.04 Crores, Rs.67.13 Crores and Rs.77.23 Crores respectively.

During the year 2010-11 overall capacity utilization suffered badly due to:

- Adverse market for News Print.
- Lack of infrastructure to produce adequate quantity of Hardwood Chemical Pulp to keep all the four Machines running to produce Writing and Printing Paper.
- Shortage of Raw material (Bagasse).
- Shortage of purchased Pulp coupled with increase in pulp prices.

Production on PM-4 continued as combination of WPP and NP depending on availability on Hardwood chemical Pulp and market requirement. CW – Elegant made on PM-4 has good realization and its quality well accepted in the market. MPM note books introduced last year has good market potential. The Company has outsourced the note book manufacturing activity to an external agency. Manufacturing facility is located inside the Mill premises for better co-ordination and quality control. GOK has placed order on MPM for supply of Note Books for its "Vidya Vikas" scheme.



3. EROSION OF NETWORKH :

The total net loss including the accumulated losses as on 31.03.2011 was in the region of Rs.19403 lakhs which has exceeded the entire net worth of Rs.11889 lakhs thereby, the Company has become a Sick Company under the provision of the Sick Industrial (Special Provisions) Act 1985. As required by the said Act, a reference will be made to the Board for Industrial and Financial Re-construction (BIFR) for determination of measures to be adopted by the Company.

4. PROJECTS :

As already informed the Company has taken up Rotary Lime Kiln Project in order to meet the stringent environmental norms costing about Rs.35 crores. The civil contractor has been appointed and the civil work in all respect is expected to be completed by February 2012. Further, the Company has also taken up De-inking plant of 200 TPD costing around Rs.125 crores which would help the Company in cost reduction. M/s SPB-PC have been appointed as Project Management Consultants. It is expected that De-inking plant will be commissioned by March 2013.

5. MANAGEMENT DISCUSSION & ANALYSIS :

Segmentwise analysis and operational performance of each of the business segments have been comprehensively covered in the Management Discussion & Analysis which forms part of this Directors' Report.

6. CASH FLOW ANALYSIS :

In conformity with the provisions of the Listing Agreement, the cash flow statement for the year ended 31st March, 2011 is included in the annual accounts.

7. CAPTIVE FORESTRY :

The Forest Wing has supplied 131206 M.T. of pulpwood by harvesting about 3381 ha. of captive plantations during 2010-11.

The Hon'ble High Court in W.P. No.14644/1998 has ordered to surrender 2439.03 ha. of plantation area raised in revenue lands from 2010-11 to 2014-15 after harvesting the trees grown by MPM in a phased manner. An expert committee was formed by the Hon'ble High Court by involving Sri. A.N. Yellappa Reddy, IFS., (Retd.) Former Secretary, Department of Environment and Forests, Government of Karnataka who volunteered on behalf of the petitioners for discussion so that the purpose of MPM remain as sustainable as it is today. Accordingly, the committee has submitted the report to the court and on recommendation of the committee the Hon'ble High Court has directed the State and Central Governments to take appropriate steps to monitor the forestry works of MPM on the Forest lands leased to the Company.

The lease rentals from 1991-92 to 2000-2001 and from 2001-02 to 2010-11 are yet to be settled with the Karnataka Forest Department wherein most of the dues have been paid by the Company upto 2000-2001 by surrendering 12.5% of plantation crop and the lease rent is adjusted towards the tree crop surrendered in Wildlife area in the later period from 2001-02 to 2010-11.



In all, 2441.85 ha. of harvested plantation areas were regenerated by replanting/coppicing with species like Acacia hybrid (901.75 ha.), eucalyptus pellita (435 ha.), Eucalyptus camaldulensis(1092.10 ha.) and miscellaneous species (13 ha.). The Farm Forestry programme was continued by selling about 12 lakhs seedlings and by entering in to a buy-back agreement with farmers on a plain paper wherever they have availed seedlings @ 50% of the selling rate.

The programme of raising large scale clonal plants of Eucalyptus species in dry-zone nurseries has been started which will double the present yield from average 30 MT/ha. to over 60 M.T./ha. in dry zone. where about 1/3 of the captive plantations are located. The achievement with clonal plantations of Acacia hybrid in wet zone is already with an average yield of 100 M.T./ha.

The average weighted cost of Acacia and Euclyptus pulpwood obtained from captive plantations works out to Rs.1,583/- per tonne as against Rs.2,943/- per tonne paid to M/s. KFDC and M/s. KSFIC. Thus Rs.792.00 lakhs was saved by obtaining 131786 M.T. pulpwood from captive plantations which has minimized the consumption of chemicals and maximized the yield of pulp to fabricate the paper. During 2010-11, 84390 M.T. of Acacia wood was supplied from captive plantations which has helped in minimizing the consumption of chemicals worth Rs.34.00 lakhs. Hence captive forestry was responsible for saving a total sum of Rs.826.00 lakhs during 2010-2011.

8. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE OUTGO:

Information under Section 217(1)(e) of the Companies Act, 1956, read with Rule 2 of the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 are furnished at **ANNEXURE - I**, which form part of this report.

9. INDUSTRIAL RELATIONS:

The overall industrial relations were cordial during the year under review.

10. FIXED DEPOSITS :

The Company's Fixed Deposits at the end of the year stood at Rs.1313 lakhs (Rs.1313 lakhs in the previous year).

11. DIRECTORS :

Sri. C. Shivashankar Director of the Company, retire by rotation and is eligible for reappointment at the Annual General Meeting.

Apart from the above, the following changes amongst Directors have also taken place during the year under review :

Sri. Padam Kumar Garg, IPS : Sri. Padam Kumar Garg, IPS (51) was nominated as Managing Director of the Company by the Government of Karnataka in exercise of the powers conferred under Articles of Association of the Company in place of Dr. Sandeep Dave, IAS. He assumed charge on 2nd February 2011 as Managing Director. He held senior positions in different Departments of Government of Karnataka. He is



also the Director on the Board of M/s. Bangalore Electricity Supply Company Limited (BESCOM), Hubli Electricity Supply Company Limited (HESCOM), Mangalore Electricity Supply Company Limited (MESCOM), Gulbarga Electricity Supply Company Limited (GESCOM) and Chamundeshwari Electricity Supply Corporation (CESC), Mysore.

Sri. K Jothiramalingam, IAS: Sri. K Jothiramalingam, IAS (59) was nominated as a Director of the Company by the Government of Karnataka in exercise of the powers conferred under Articles of Association of the Company in place of Sri. V.P. Baligar, IAS, vide Govt. communication No.CI-53-CMI-2011(3) dated 20.05.2011. Presently, he is holding the position of the Principal Secretary to Govt, C & I Dept., Govt. of Karnataka. He is also Director on the Board of Mysore Sales International Ltd., Karnataka Power Transmission Corporation Ltd., Karnataka State Industrial and Infrastructure Development Corporation Ltd., Karnataka Trustee Company Ltd., Karnataka Asset Management Company Private Ltd., Hassan–Mangalore Rail Development Company Ltd., and Rail Infrastructure Development Company (Karnataka Ltd.)

Sri. Kaushik Mukherjee, IAS: Sri. Kaushik Mukherjee, IAS (56) was appointed as a Director of the Company by the Government of Karnataka in exercise of the powers conferred under Articles of Association of the Company in place of Ms. Meera C Saksena, IAS, vide Govt. communication No.CI-49-CPM-2011 dated 03.06.2011. Presently, he is holding the position of the Principal Secretary to Govt, Forest, Ecology & Environment Dept., Govt. of Karnataka. He is also a Director on the Board of Karnataka Forest Development Corporation, Karnataka State Forest Industries Corporation and Karnataka State Handicraft Development Corporation. The board appreciated the valuable services rendered by the outgoing Directors.

12. DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the requirement under Section-217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that :

- a) The applicable accounting standards have been followed scrupulously, along with proper explanation relating to material departures, if any;
- b) The selected accounting policies were applied consistently, and judgements and estimates that are reasonable and prudent were made, so as to give a true and fair view of the state of financial affairs of the Company at the end of the financial year;
- c) The Directors have taken proper and sufficient care 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;
- d) The annual accounts were prepared for the financial year ended 31st March, 2011 on a going concern basis.



13. AUDITORS :

- a) As per Section 619(2) of the Companies Act, 1956, the Government of India, Ministry of Corporate Affairs, appointed M/s. Vishnu Rajendran & Co., Chartered Accountants, Bangalore, as Statutory Auditors of the Company for the year ended 31.03.2011.
- b) M/s. K.P.R. & Associates, Cost Accountants, Bangalore, were appointed as Cost Auditors of the Company for the year 2010-11 by the Board, and the approval to this effect has also been received from the Government of India.

14. PARTICULARS OF EMPLOYEES :

None of the employees of the Company have drawn salary of Rs.24 lakhs or more per annum/Rs.2 lakhs or more per month during the year. Therefore, the particulars of employees as required under Section 217(2A) of the Companies Act, 1956, are not furnished.

15. CORPORATE GOVERNANCE :

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, a report on Corporate Governance together with Management Discussion & Analysis Report is enclosed herewith, which forms part of the Directors' Report. A Certificate from the Auditor regarding compliance of Corporate Governance, as stipulated by clause 49 of the Listing Agreement, is attached to this report.

16. COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA :

The comments by the Comptroller and Auditor General of India on the Accounts for the year ended 31.03.2011 are attached to the report at **ANNEXURE - II**.

17. ACKNOWLEDGEMENT :

Your Directors are pleased to acknowledge the dedicated efforts of all the employees and place on record their appreciation of the valuable contribution made by them during the year 2010-2011. Your Directors also thank the sugarcane growers for the supply of sugarcane. Your Directors place on record their appreciation for the assistance, support and guidance extended to the Company by the Government of Karnataka through the Departments of Commerce and Industries, Finance, Forest, Environment & Ecology, KPTCL, MESCOM, Directorate of Sugar, and by the Statutory Bodies and Financial Institutions, Karnataka State Pollution Control board & IFCI and Banks. Your Directors also thank the Government of India, Ministry of Corporate Affairs and its various departments, Controller of Accounts & Audit, Registrar for Newspapers, Ministry of Railways, Department of Coal, etc., for their continued support to the Company.

For and on behalf of the Board

BANGALORE

Date: 11-08-2011

Sd/-

(PADAM KUMAR GARG, IPS)

MANAGING DIRECTOR

Sd/-

(C. SHIVASHANKAR)

DIRECTOR



ANNEXURE - I TO DIRECTORS' REPORT

ADDITIONAL INFORMATION AS REQUIRED UNDER COMPANIES

(DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

A. ENERGY CONSERVATION :

Along with the implementation of IMS (Integrated Management System), the Management has adopted Energy Management Plan with focus on Energy conservation. The methodology adopted is regular tracking of Power, Steam and Water consumptions, internal auditing and bench marking.

Various Energy conservation / Productivity Improvement Schemes taken up during the year are:

- Upgradation of Steam Condensate Systems for PM-3 and PM-4.
- Commissioning of blow heat recovery system and new Pulp screening systems in Chemical Pulp Mill-II.
- Commissioning of Single Cell Cooling Tower in Evaporator.
- Civil work for installation of Rotary Lime Kiln.
- On line condition monitoring system for PM-4.
- Introduction of tri-disc refiners in PM-3.
- Energy conservation schemes.

The Company has engaged M/s SPB-PC, Chennai to carryout detailed study on Mill development plan with focus on de-inking plant. The proposed de-inking plant has capacity to produce pulp for the manufacture of WPP in PM-4, making the Mill production versatile. MPM can produce more WPP with the installation of De-inking Plant. Product portfolio can be diversified according to market condition.

B. EXPENDITURE ON R&D DURING 2010-2011 - Rs. 70.41 lakhs.

C. EXPENDITURE AS A % TO THE TOTAL TURNOVER : 21%



FORM 'A'

TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION

| | 2008-09 | 2009-10 | 2010-11 |
|---|-----------|-----------|-----------|
| (A) POWER AND FUEL CONSUMPTION : | | | |
| I. ELECTRICITY : | | | |
| (a) Purchased Units (Lakhs K.W.H) | 526.51 | 410.67 | 343.93 |
| Total Amount - (Rs. Lakhs) | 2763.08 | 2266.95 | 2072.08 |
| Cost per unit-(Rs.) | 5.25 | 5.52 | 6.02 |
| (b) Captive Generation (Lakhs K.W.H.) (Net of Export) | | | |
| Through Steam Turbine (Lakhs K.W.H) | 1892.28 | 1285.02 | 1362.08 |
| Cost per unit—(Rs.) | 4.26 | 4.68 | 4.61 |
| II. COAL : | | | |
| Quantity in (M.T.) | 252221.00 | 198334.00 | 228351.00 |
| Total Amount - (Rs. Lakhs) | 10799.22 | 7794.74 | 7701.43 |
| Average rate per tonne - Rs. | 4281.64 | 3930.10 | 3372.63 |
| III. FURNACE OIL - KL | 377.19 | 322.24 | 336.07 |
| Total Amount—(Rs. Lakhs) | 118.37 | 88.77 | 113.11 |
| Average rate per KL—(Rs.) | 31382.00 | 27548.00 | 33657.00 |
| IV. OTHER/INTERNAL GENERATION—(M.T.) | | | |
| (a) Bagasse, Pith, Bamboo/Wood Dust | 23420.00 | 1660.00 | 8267.00 |
| (b) Black Liquor Solids | 83820.00 | 70697.00 | 75172.00 |
| (B) CONSUMPTION PER UNIT OF PRODUCTION | | | |
| Production—M.T. | | | |
| Paper | 109271 | 81079 | 76657 |
| Sugar | 21651 | 8020 | 27402 |

**ELECTRICITY CONSUMPTION (K.W.H.)**

| | | | |
|-------|------|------|------|
| Paper | 2019 | 2049 | 2071 |
| Sugar | 400 | 429 | 432 |

COAL CONSUMPTION (M.T.)

| | | | |
|-------|------|------|------|
| Paper | 2.10 | 2.30 | 2.43 |
| Sugar | 1.03 | 1.48 | 1.55 |

C. FOREIGN EXCHANGE EARNINGS AND OUTGO (Rs.Lakhs)

| | | | |
|--|---------|--------|--------|
| 1. FOREIGN EXCHANGE EARNINGS | 5.43 | 151.29 | 437.54 |
| EXPORT OF PAPER | | | |
| 2. FOREIGN EXCHANGE OUTGO DURING THE FINANCIAL YEAR ENDING 31-03-2011 | | | |
| (a) Imports (on C.I.F. basis) | | | |
| (i) Raw Materials | 2085.10 | 315.24 | 264.56 |
| (ii) Components, Spare Parts, Chemicals | 219.36 | 215.51 | 89.18 |
| (iii) Capital Goods | - | - | - |
| (b) Other than imports: | | | |
| (i) Travel | - | - | - |
| (ii) Interest on CDC Loan | - | - | - |
| (iii) Loan Repayment CDC Loan | - | - | - |
| (iv) Services | - | - | - |



THE MYSORE PAPER MILLS LIMITED

MANAGEMENT DISCUSSIONS AND ANALYSIS :

OVERALL REVIEW :

This has been covered in detail in the Directors' Report.

INDUSTRY STRUCTURE AND DEVELOPMENTS :

PAPER :

The per capita consumption of paper in our country is currently 8 Kgs, against an Asian average of 28 kgs and the world average of 58 Kgs. Currently there are about 515 number of mills in the country with an installed capacity of 91 lakh MTs. In the case of WPP and Board the capacity has grown by 4% CARG (Compound Annual Rate of Growth). The demand as well as production of WPP and Board in the country has grown up by 7.0% whereas the imports of same by 20% and export by 20%. In the case of Newsprint the demand has grown from 14 lakh tonnes in 2008-09 to 20 lakh tonnes in 2010-11 and consequently the imports of Newsprint have increased from 7 lakh tonnes to 10 lakh tonnes in 2010-11.

SUGAR :

The sugar production in the country for the year 2010-11 season was 242 lakh tonnes as compared to 188 lakh tonnes in 2009-10 season. In the case of MPM, the sugar production was 27400 MTs in the financial year April to March 11 vis-à-vis April to March 10 which was about 8000 MTs. The higher production in 2010-11 was mainly due to better cane availability and increase in the sugar growing area.

OUTLOOK, OPPORTUNITES AND THREATS :

The low per capita consumption of paper coupled with strong economic growth in packing/printing industry and environmental restrictions on the usage of plastic vis-à-vis paper, presents excellent growth prospects for paper industry in the country. The demand for paper is likely to grow at CARG of 7% in 2011-12. The high growth varieties in WPP segment are branded copier, coated paper and specialty paper (tissue/security) which will grow at rates faster than other varieties of paper. In the case of Newsprint, the demand growth is expected to be 8% in 2011-12. In the case of MPM since business is more Newsprint oriented rather than WPP, the company was exposed to the vagaries in the international market for Newsprint.

In the year 2010-11, in view of the better contribution by WPP vis-à-vis Newsprint, the company continued production of combination of Newsprint and WPP and marketing of Creamwove Elegant from PM-IV along with higher quantities of value added products such as Note books, copier paper, customized computer



stationery etc. Our sales of WPP from PM-IV could have been better but for the shortage of procured pulp in the market coupled with increasing pulp prices. The Company exported Writing & Printing Paper during the lean season when the domestic demand was low.

The outlook for Newsprint in 2011-12 indicates that there would be an increase in the international prices of Newsprint from 2nd quarter of 2011-12 in which case the company may go in for more production of Newsprint as compared to WPP in PM-IV subject to reasonable contribution by Newsprint vis-à-vis WPP. In Newsprint, the company had produced and marketed more of 45 GSM in 2010-11 and the trend for more usage of 45 GSM Newsprint would continue in the coming years.

THREATS :

In the Writing & Printing Paper sector there has been an additional creation of capacity by our competitor mills like Tamilnadu Newsprint Ltd, West Coast, Andhra Pradesh Paper Mill etc to the tune of about 6 lakh MTs. With this the availability of WPP in the domestic market is much higher than the domestic demand. Also the export prices being lower than the domestic prices, mills are reluctant to export higher quantity of WPP, with the result all the mills are trying to sell more quantity in the domestic market resulting in prices being slashed. It will take almost 2 to 3 years for the additional availability to be absorbed in the market.

SEGMENT-WISE AND PRODUCT-WISE PERFORMANCE :

The Company produces Newsprint, Writing and Printing Paper and Sugar. The detailed segment-wise information is furnished by way of notes to accounts.

RISKS AND CONCERNS :

The plant and machinery of MPM is old, the age varying from 35 years to 65 years. Also, no major modernisation has been done, and no additional plants & machinery has been installed. In view of this, the variable cost (imported pulp, chemicals and power etc) as well as the fixed cost of production (large labour force) have been going up steadily. These disadvantages limit the potential to contain variable cost of production. Added to this the large labour force with high overheads. In addition to these inherent disadvantages, the company is also concerned with the liberalized policies of the Central Government, which have adversely affected the operations of the Company. Despite all this, the Company has been able to withstand these adverse market conditions due to its goodwill on account of long presence in the market. Nevertheless, efforts are being made to further reduce costs and improve the quality of our products.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY :

The company has set up an in-house internal audit system, and is also availing the services of auditors to review the internal control systems and its adequacy. The company has over the years been successful in



implementing proper systems in internal controls in order to ensure that all the assets and properties of the company are economically utilized. The internal control system is devised in such a way that the financial and other records are reliable for preparing financial statements and other data for maintaining accountability of assets. The reports of both in-house internal audit and auditors are reviewed by the Audit Committee from time to time.

DISCUSSION ON FINANCIAL PERFORMANCE WITH REFERENCE TO OPERATING ACTIVITIES :

This has been dealt with, in the Directors' Report.

INDUSTRIAL RELATIONS AND HUMAN RESOURCES DEVELOPMENT :

The MPM's HR policies are continued to focus on providing need based 'on the job training' to its employees to develop their knowledge, skills and attitude to meet the market requirement. M/s NPC, who were appointed to assess the optimum workforce requirement, have submitted their report and it is under evaluation by the Management.

The Company has well defined Health and Safety policy Periodical training programmes on safety, fire fighting, etc., are being conducted. Health Check-ups, Health awareness programmes by Specialised Doctors are being held from time to time. The Company has Hospital to cater to the immediate health needs of its workforce. The Company has also adopted the principle of workers participation in Management by inducting workers in various Committees. A monthly magazine by name 'KAGADA' is being brought out every month to educate and update the information about Company affairs for the benefit of its workforce. The Company has Employees' Award Scheme to identify and recognize innovative ideas of employees in bringing about changes in machinery and equipment manufacturing process, etc. With the overall Management strategies and employees cooperation, the Company is looking forward for better performance.

* * * * *



THE MYSORE PAPER MILLS LIMITED

REPORT ON CORPORATE GOVERNANCE

As required by Clause 49 of the Listing Agreement with the Stock Exchange, a report on Corporate Governance in accordance with the SEBI prescribed format is given below.

1. COMPANY'S PHILOSOPHY :

MPM's philosophy on Corporate Governance is to attain highest level of transparency in all its operations, to deal with integrity and equity with its stakeholders including shareholders, employees, lenders and the Government, to employ skills that take pride in satisfying customer needs with superior products and services, to contribute towards higher productivity through team work and innovation, to consciously work towards conservation of resources and minimisation of wastes of all forms, to achieve customer satisfaction with consistent supply of quality products at competitive prices.

2. BOARD OF DIRECTORS:

(i) **Composition and Category of Directors :** The Board comprises of a Chairman, Managing Director, two Non Executive Directors appointed by Government of Karnataka, Five independent Non-Executive Directors elected in the Annual General Meeting of the Company and one independent Non-Executive Director nominated by the Financial Institution.

a) Composition of the Board, their attendance at the Board Meetings, last AGM, details of Directorships / Committee Memberships held by the Directors in other Companies and the shares of the company held by them are given hereunder:

| Sl. No. | Name of Directors /Sriyuths: | Category of Director | No. of Mtgs. held | No. of Meetings attended | Attended last AGM held on 31 st Dec, 2010 | No. of other Directorship held | | No. of Board Committee(s) of which he is a Chairman / Member | No. of shares Held |
|-------------------------|---|----------------------|-------------------|--------------------------|--|--------------------------------|-----|--|--------------------|
| | | As Director | As Chairman | | | | | | |
| GOVT. DIRECTORS: | | | | | | | | | |
| 1. | ARAGA JNANENDRA Ex-MLA - Chairman | Non-executive | 7 | 7 | Yes | Nil | Nil | Nil | - |
| 2. | B. H. ANIL KUMAR, IAS (upto 27.05.2010) | Executive | 2 | 2 | - | 1 | Nil | Nil | - |
| 3. | YOGENDRA TRIPATHI, IAS (from 27.05.2010 to 25.10.2010) | Executive | 2 | 2 | - | 2 | Nil | Nil | - |



| Sl. No. | Name of Directors /Sriyuths: | Category of Director | No. of Mtgs. held | No. of Meetings attended | Attended last AGM held on 31 st Dec, 2010 | No. of other Directorship held | | No. of Board Committee(s) of which he is a Chairman / Member | No. of shares Held |
|---------------------------|--|----------------------|-------------------|--------------------------|--|--------------------------------|----------------|--|--------------------|
| | | | | | | As Director | As Chairmantor | | |
| 4. | Dr. SANDEEP DAVE, IAS (from 25.10.2010 to 02.02.2011) | Executive | 2 | 2 | Yes | 3 | 1 MD 1 | Nil | - |
| 5. | PADAM KUMAR GARG, IPS (from 02.02.2011) | Executive | 1 | 1 | - | 5 | Nil | Nil | - |
| 6. | AJAY SETH, IAS (from 17.4.2009) | Non-executive | 7 | 2 | No | 7 | Nil | Nil | - |
| 7. | V.P. BALIGAR, IAS (from 23.01.2010 to 20.05.2011) | Non-executive | 7 | 4 | No | 7 | 5 | - | - |
| ELECTED DIRECTORS: | | | | | | | | | |
| 8. | M. LAKSHMINARAYANA, IAS | Ind. / Non-executive | 7 | 3 | No | 7 | Nil | Nil | 500 |
| 9. | Ms. MEERA C SAKSENA, IAS (Upto 11.08.2011) | Ind./ Non-executive | 7 | 2 | No | 1 | Nil | Nil | 500 |
| 10. | S. PARAMESWARAPPA, IFS [Retd], | Ind. / Non-executive | 7 | 7 | Yes | Nil | Nil | Nil | 600 |
| 11. | C. SHIVASHANKAR | Ind. /Non-executive | 7 | 7 | Yes | Nil | Nil | Nil | 500 |
| 12. | C. B. PATIL OKALY | Ind./ Non-executive | 7 | 7 | Yes | Nil | Nil | Nil | 500 |
| NOMINEE DIRECTORS: | | | | | | | | | |
| 13. | T. K. RAY (IFCI) (upto 11.06.2010) | Ind. / Non-executive | 2 | - | - | 3 | Nil | - | - |
| 14. | P.V. SRINIVAS (IFCI) (from 11.06.2010) | Ind. / Non-executive | 5 | 4 | No | Nil | Nil | - | - |

Note : As per Articles of Association, Govt. directors and nominees of FIs are not required to hold qualification shares.

(ii) Brief Resume of the directors being re-appointed at the Annual General Meeting are furnished hereunder :

Sri. C. Shivashankar: Sri. C Shivashankar (77) is associated with the Company as a Director, since 25.05.1995. He has the rich experience in the field of finance and banking sector. He was the former Managing Director of State Bank of Indore. He holds 500 equity shares of Rs.10/- each of the company.



Sri. Padam Kumar Garg, IPS : Sri. Padam Kumar Garg, IPS (51) was nominated as Managing Director of the Company by the Government of Karnataka in exercise of the powers conferred under Articles of Association of the Company in place of Dr. Sandeep Dave, IAS. He assumed charge on 2nd February, 2011 as Managing Director. He held senior positions in different Departments of Government of Karnataka. He is also the Director on the Board of M/s. Bangalore Electricity Supply Company Limited (BESCOM), Hubli Electricity Supply Company Limited (HESCOM), Mangalore Electricity Supply Company Limited (MESCOM), Gulbarga Electricity Supply Company Limited (GESCOM) and Chamundeshwari Electricity Supply Corporation (CESC), Mysore.

Sri. K Jothiramalingam, IAS: Sri. K Jothiramalingam, IAS (59) was nominated as a Director of the Company by the Government of Karnataka in exercise of the powers conferred under Articles of Association of the Company in place of Sri. V.P. Baligar, IAS, vide Govt. communication No.CI-53-CMI-2011(3) dated 20.05.2011. Presently, he is holding the position of the Principal Secretary to Govt, C & I Dept., Govt. of Karnataka. He is also Director on the Board of Mysore Sales International Ltd., Karnataka Power Transmission Corporation Ltd., Karnataka State Industrial and Infrastructure Development Corporation Ltd., Karnataka Trustee Company Ltd., Karnataka Asset Management Company Private Ltd., Hassan–Mangalore Rail Development Company Ltd., and Rail Infrastructure Development Company (Karnataka Ltd.)

Sri. Kaushik Mukherjee, IAS: Sri. Kaushik Mukherjee, IAS (56) was appointed as a Director of the Company by the Government of Karnataka in exercise of the powers conferred under Articles of Association of the Company in place of Ms. Meera C Saksena, IAS, vide Govt. communication No.CI-49-CPM-2011 dated 03.06.2011. Presently, he is holding the position of the Principal Secretary to Govt, Forest, Ecology & Environment Dept., Govt. of Karnataka. He is also a Director on the Board of Karnataka Forest Development Corporation, Karnataka State Forest Industries Corporation and Karnataka State Handicraft Development Corporation.

iii) Number of Board Meetings held and the dates on which held :

7 Board Meetings were held during the year 2010-2011 on 29th April, 2010, 25th May, 2010, 11th June, 2010, 29th July, 2010, 29th October, 2010, 19th November, 2010 and 26th March 2011. The gap between the two meetings was not more than 4 months, except Board Meeting held in March, 2011).

a) Information placed before the Board of Directors :

It is the policy of MPM that in addition to matters statutorily requiring approval of the Board, all major items involving Purchases as per Transparency Act, Capital Expenditure, Marketing, Legal, Finance Human Resource and Forest matters are discussed by the Board. In line with this policy, all information laid down in the corporate governance code are being placed before the Board of Directors.



b) Board / Committee Meetings and its procedures:

The Company holds minimum of four Board Meetings in each year which are pre-scheduled at the end of each financial quarter. Apart from the four pre-scheduled Board Meetings, additional Board Meetings are convened by giving appropriate notice. The meetings are invariably held at the Registered Office of the Company. All Functional / Divisional Heads in the Company are advised to plan their functions well in advance particularly with regard to matters requiring discussion/approval of the Board / Committee Meetings.

The Board/Committee is given presentations covering Finance, Production, Marketing and other major schemes and operations of the Company wherever necessary. The Annual Agenda of the Board includes determining the Directors who shall retire by rotation and recommending appointment of Directors, authentication of Annual Accounts and approving Directors' Report, report on Corporate Governance etc. The Chairman, Managing Director and Company Secretary in consultation with other concerned team members of the senior management finalise the Agenda. The Agenda papers are circulated to the Directors, in advance, in the defined Agenda format. The Company Secretary records the minutes of the Board/Committee Meetings. The Draft minutes are circulated to all the members of the Board / Committee for their comments and the same are confirmed at the subsequent Board /Committee Meetings and maintained under the loose leaf system. Action taken report on the decisions/minutes of the previous meetings will be placed at the immediately succeeding meeting of the Board/Committee for noting by the Board/Committee. The Company has held atleast one meeting in every three months and the maximum time gap between any two meetings was not more than four months. None of the Directors of the Company was a member of more than ten Committees nor the Chairman of more than five Committees across all Companies in which he/she was a Director.

3. BOARD COMMITTEE :

The Company has the following Sub-committees of the Board :

A. AUDIT COMMITTEE :

i) Brief description of terms of reference :

The role of the Audit Committee and its terms of reference cover the matter specified under clause 49 of the Listing Agreement as well as in Section 292-A of the Companies Act, 1956, which, inter-alia, include reviewing the financial statements, overseeing the Company's Annual Report process and discussions with internal and external auditors periodically about the scope of audit and adequacy of internal control systems. The Audit Committee also acts as a link between the Board of Directors and the internal and external auditors.

ii) Composition, name of members and Chairperson :

The Audit Committee was constituted by the Board even much before the introduction of the Corporate Governance Code. The Audit Committee consists of the following independent, non-executive Directors and Executive Director as its members.



iii) Meetings held and attendance during the year :

| SI.No. | Directors/Sriyuths | No. of Meetings held | Attended |
|--------|---|----------------------|----------|
| 1. | C. SHIVASHANKAR, CHAIRMAN – AC | 5 | 5 |
| 2. | S PARAMESWARAPPA, IFS (Retd) | 5 | 5 |
| 3. | C.B. PATIL OKALY | 5 | 5 |
| 4. | B. H. ANIL KUMAR, IAS, MD (upto 27.05.2010). | 1 | 1 |
| 5. | YOGENDRA TRIPATHI, IAS, MD (upto 25.10.2010) | 1 | 1 |
| 6. | Dr. SANDEEP DAVE, IAS (upto 02.02.2011) | 2 | 2 |
| 7. | PADAM KUMAR GARG, IPS (from 02.02.2011) | 1 | 1 |

The Audit Committee has met 5 times during 2010-11 on 28th April, 2010, 28th July, 2010, 28th October, 2010 and 19th November, 2010 and 25th March, 2011. At the invitation of the Audit Committee, the Statutory Auditors, Internal Auditors and head of Internal Audit Dept., and functional heads attended the Audit Committee meetings, to answer and clarify the queries raised at the Committee meetings. The Company Secretary acts as Secretary to the Committee.

4. REMUNERATION COMMITTEE :

The Board constituted a Remuneration Committee comprising of Sri S Parameswarappa, Retd IFS, Chairman of the Committee, Sri C Shivashankar, non executive Directors. The Committee was constituted to recommend the remuneration package to the Directors. The Company is paying only the sitting fees of Rs.500/- to the Directors for attending the Board/Committee meetings. The Committee did not meet during the year as there was no requirement.

Details of remuneration for the year ended 31.03.2011.

Aggregate value of salary and perks paid for the year ended 31st March, 2011, to the Chairman, Managing Director/s is/are as follows:

| Name / Sriyuths | Salary Rs. | Leave salary Rs. | Pension contribution Rs. | Total Rs. | Retire- ment Benefits |
|---|---------------|------------------------|--------------------------------|--------------|-------------------------------|
| SRI. B.H. ANIL KUMAR, IAS (upto 27.05.2010) | 1,40,466 | - | - | 1,40,466 | As per Govt rules. |
| SRI. PADAM KUMAR GARG, IPS (from 02.02.2011) | 2,26,025 | - | - | 2,26,025 | |
| SRI. ARAGA JNANENDRA, Ex-MLA | - | - | - | - | |



5. SHAREHOLDERS COMMITTEE :

i) Shareholders'/ Investors Grievances Committee :

The Board had constituted a shareholder's/investor's Grievance Committee comprising of Sri. C Shivashankar, Chairman of the Committee, Sri. C B Patil Okaly and MD. The Committee looks into redressal of shareholders complaints like transfer of shares, non receipt of Balance Sheet, non receipt of declared dividend etc. No complaint was received from the shareholder during the year under review. Outstanding complaints as on 31.3.2011 was nil. The Committee met 4 times during the year viz., 29th April, 2010, 28th July, 2010, 28th October, 2010 and 25th March, 2011. Sri. H.S.N. Rao, Company Secretary is the Compliance Officer.

ii) Share Transfer Committee :

In order to expedite the process of Share transfers which are in physical form, the Board has delegated the powers of share transfers to a Committee comprising of MD, Sri. B. H. Anil Kumar, IAS (upto 27.05.2010) and Sri. Yogendra Tripathi, IAS, (from 27.05.2010 to 25.10.2010), Dr. Sandeep Dave, IAS (from 25.10.2010 to 02.02.2011) and Sri Padam Kumar Garg, IPS (from 02.02.2011) Chairman of the Committee, Sri. C Shivashankar and Sri. S Parameswarappa, IFS (Retd). The Share Transfer Committee met 15 times during the year 2010-11. The Share Transfer Committee attends to the Share transfer formalities. The business transacted at the Share Transfer Committee meetings are placed before the Board regularly. All valid share transfers during the year ended 31.03.2011 have been attended on time by the Committee.

6. CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT :

A code of Conduct as applicable to the Directors and the members of the Senior Management had been approved by the Board. The code has been circulated to all the members of the board and Sr. Management and compliance of the same has been obtained by them. A declaration to this effect has been obtained from Managing Director. A copy of the code has been put on the Company's Website.

Declaration as required under Clause 49 of the Listing Agreement :

All Directors and senior management of the Company have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2011.

Sd/-
PADAM KUMAR GARG, IPS
MANAGING DIRECTOR

7. GENERAL BODY MEETINGS :

i) The Details of Annual General Body Meetings held in last three years are as under :

| Sl.No. | Financial Year | Location | Date | Time |
|--------|----------------|-------------------------|------------|----------|
| 1. | 2007-2008 | Chowdaiah Memorial Hall | 26.12.2008 | 03.00 pm |
| 2. | 2008-2009 | Chowdaiah Memorial Hall | 25.09.2009 | 03.00 pm |
| 3. | 2009-2010 | Chowdaiah Memorial Hall | 31.12.2010 | 10.00 am |



8. DISCLOSURES :

- i) Disclosures on materially significant related party transactions that may have potential conflict with the interests of company at large-There were no such transactions during the year.
- ii. Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years-None.

9. MEANS OF COMMUNICATION :

| | | |
|--|---|-----------------------------------|
| a. Quarterly results | } | : Published in Newspapers viz., |
| b. Newspapers wherein result Normally published. | | Business Standard, Kannada Prabha |
| c. Any Website, where displayed | | : Published in Co.'s website |
| d. Whether it also displays official news released; and | | No |
| e. The presentations made to Institutional Investors or to the analysis. | | No |

10. GENERAL SHAREHOLDER INFORMATION :

- i. Annual General Meeting
 - a) Date : 30th September, 2011
 - b) Time : 2.30 p.m.
 - c) Venue : KAS Officers Association, No. 1/1, Infantry Road, (Near Police Commissioner Office), Bangalore-560 052.
- ii. At the ensuing AGM, there is no resolution proposed to be passed through postal ballot.
- iii. Financial year :
Financial year : 1st April to 31st March



Tentative calendar for financial year 2011-12:

- Results for quarter ending 30-06-2011 Last week of 31.07.2011
- Results for quarter ending 30-09-2011 Last week of 31.10.2011
- Results for quarter ending 31-12-2011 Last week of Jan. 2012
- Results for quarter ending 31-03-2012 Last week of April 2012

- iv. Date of Book Closure : 23-09-2011 to 30-09-2011
- v. Dividend Payment Date: - Nil -
- vi. Listing on Stock Exchange at : Bombay Stock Exchange
- vii. Stock Code : Bombay Stock Exchange - 502405
- viii. Market Price Data –

High & Low quotations for the year 2010-11 :

| | April | May | June | July | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar |
|---------|-------|------|------|------|------|------|------|------|------|------|------|------|
| Highest | 8.89 | 8.41 | 8.33 | 8.40 | 7.67 | 7.52 | 7.58 | 7.56 | 7.11 | 6.83 | 6.72 | 6.36 |
| Lowest | 7.60 | 7.07 | 7.28 | 6.91 | 6.71 | 6.80 | 6.84 | 6.46 | 5.62 | 5.36 | 5.24 | 5.25 |

- ix. Performance in comparison to broad based : Nil
indices such as BSE Sensex,
CRISIL Index etc.

- x. Registrar and Transfer Agents :
M/s. Integrated Enterprises (India) Limited,
30, Ramana Residency, 4th Cross,
Sampige Road, Malleshwaram
BANGALORE - 560 003
Tel Nos : 23460815 – 818 / Fax : 080 – 23460819. e-mail : alfint@vsnl.com

Demat for equity shares ISIN No. : NSDL - ISIN – INE924FO1012, CDSL - ISIN – INE924F01012

xi. Share Transfer System :

All transactions relating to transfer, transmission, issue of duplicate share certificates etc., in physical form are processed and approved by the Share Transfer Committee which meets twice a month. Presently, the share transfers which are received in physical form are processed and the Share Certificate are returned within 15-20 days from the date of receipt, subject to the documents being valid and complete in all respects. The Company has, as per SEBI guidelines offered the facility of Transfer-cum-Demat.



xii. Distribution of Shareholding as on 31.03.2011:

| Sl. No. | No. of equity shares held | No. of Share Holders | % of Share-Holders | No. of Shares held | % of Share holdings |
|---------|---------------------------|----------------------|--------------------|--------------------|---------------------|
| 1. | 1 - 500 15248 | 83.67 | 1516687 | 1.28 | |
| 2. | 501 - 1000 | 1150 | 6.31 | 1041218 | 0.88 |
| 3. | 1001 - 2000 | 765 | 4.20 | 1280270 | 1.08 |
| 4. | 2001 - 3000 | 291 | 1.60 | 783855 | 0.66 |
| 5. | 3001 - 4000 | 111 | 0.61 | 410934 | 0.35 |
| 6. | 4001 - 5000 | 197 | 1.08 | 956838 | 0.80 |
| 7. | 5001 - 10000 | 208 | 1.14 | 1680122 | 1.41 |
| 8. | 10001 & above | 255 | 1.39 | 111223508 | 93.54 |
| | Total | 18225 | 100.00 | 118893432 | 100.00 |

xiii. Dematerialisation of shares & liquidity : About 33.69% of the Company's paid-up share capital has been dematerialised as on 31-03-2011. Trading in equity shares of the company at the stock exchange is permitted only in dematerialised format, as per Notification issued by the Securities and Exchange Board of India [SEBI].

xiv. Outstanding GDR's / ADR's / Warrants or any convertible instruments. Conversion dates and likely impact on equity – Nil.

xv. Plant Location :

PAPER TOWN,
BHADRAVATI - 577 302
SHIMOGA DIST. KARNATAKA STATE
Tel Nos. : (08282) 270201-8
Fax : (08282) 270937
E-mail : works@mpm.co.in

xvi. Address for Correspondence :

a) The below mentioned Share Registrar & Transfer Agent of the Company may be contacted for transfer / transmission of shares, change of address, dematerialisation of shares and all other shares related matters:

M/s. Integrated Enterprises (India) Limited
30, Ramana Residency, 4th Cross,
Sampige Road, Malleshwaram
BANGALORE - 560 003.
Tel Nos : 23460815 – 818 Fax : 080 – 23460819.
e-mail : alfint @ vsnl.com



[b] Query on Annual Report :

The Company Secretary
The Mysore Paper Mills Limited
16/4, Ali Asker Road,
Bangalore – 560 052.
Tel Nos : 22262334, 22266979 Fax : 22253478
e-mail : info@mpm.co.in

Adoption of non-mandatory requirement of Clause 49 of Listing Agreement:

The Company complies with the following Non-mandatory requirements stipulated under Clause 49 :

Remuneration Committee: The Company has constituted Remuneration Committee to recommend/ review remuneration package to the Directors. However, the Committee did not meet during the year as there was no requirement.

Audit Qualification: Company is in the regime of unqualified financial statements.

Non-Executive Chairman has been provided a Chairman's office, at the Company's expense and also allowed reimbursement of expenses incurred in performance of duties as per the Government of Karnataka Order dtd. 17.06.2002 and its communication dtd. 30.04.2009.

The above report was placed before the Board at its meeting held on 11-08-2011 and was approved. The Compliance Certificate from the auditors of the company is annexed herewith.

* * * * *



CERTIFICATE

To

The Members of
THE MYSORE PAPER MILLS LIMITED

We have examined the compliance of conditions of Corporate Governance by THE MYSORE PAPER MILLS LIMITED for the year ended March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination is limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the statements of the Company.

In our opinion and to the best of our information and accordingly to the explanations given to us, the Company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned listing agreement.

We state that as on date of this certificate no Investor grievance was pending for a period exceeding one month against the Company as per the records maintained by the Investors' grievance committee.

We further state that compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Vishnu Rajendran & Co.
CHARTERED ACCOUNTANTS
Firm Reg. No. 004741S

Sd/-
(CA PA JOSEPH M.SC, FCA)
PARTNER
Mem No : 201101

Place : Bangalore
Date : 11.08.2011



AUDITOR'S REPORT

To,
The Members
The Mysore Paper Mills Limited
Bangalore, Karnataka.

We have audited the attached Balance Sheet of **The Mysore Paper Mills Limited, Bangalore** as at March 31, 2011 and the Profit and Loss Account and the Cash Flow Statement of the company for the year ended on that date annexed thereto, together with the notes thereon. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

1) As required by the Companies (Auditor's Report) Order, 2003 as amended, issued by the Central Government of India in terms of subsection (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

2) Further to our comments in the Annexure referred to above, we report that : -

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of these books.
- iii) The Balance Sheet, the Profit and Loss account and the Cash Flow statement dealt with by this report are in agreement with the books of accounts.
- iv) In our opinion, the Balance Sheet and the Profit and Loss account dealt with by this report, comply with the accounting standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 to the extent they are applicable to the Company.
- v) As per Department notification GSR 829(E) dated 17.07.2003, the provisions of clause (g) of sub section (1) of section 274 is not applicable to a Government company. Being a government



company, the company is exempt from, the provisions of clause (g) of sub section (1) of section 274.

- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) In the case of Balance Sheet, of the State of Affairs of the Company as at March 31, 2011,
 - (b) In the case of Profit and Loss account, of the Loss for the year ended on that date, and
 - (c) In the case of the Cash Flow statement, of the Cash Flows for the year ended on that date.

For **Vishnu Rajendran & Co**
Chartered Accountants
Firm Reg No: 004741S

Bangalore
August 11, 2011

Sd/-
C.A. P.A. Joseph M.Sc., FCA
Partner
Mem No: 201101



ANNEXURE TO AUDITOR'S REPORT

THE ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF THE MYSORE PAPER MILLS LIMITED, BANGALORE FOR THE YEAR ENDED MARCH 31, 2011:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As per the information provided, the company has a programme of physical verification of the fixed assets at reasonable intervals. During the year no such verification was conducted and so no material discrepancy was noticed.
- (c) The Company has not disposed of any substantial part of its fixed assets during the year so as to affect its going concern status.
- (ii) (a) According to the information and explanations given to us, the management of the Company has conducted physical verification of Inventory during the year except for standing crops which is estimated on yield-based formula, as in earlier years.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate having regard to the size of the Company and nature of its business.
- (c) In our opinion, the Company is maintaining proper records of inventory and according to the information and explanations given to us, the discrepancies noticed during physical verification are not material in nature. The discrepancies noticed have been properly dealt with in the books of accounts of the Company.
- (iii) (a) According to the information given to us, the Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- As the company has not granted any loan secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. the provisions of paragraphs 4 (iii) (b) to 4 (iii) (d) of the Order are not applicable.
- (b) According to the information given to us, the Company has not taken any loan, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.



As the company has not taken any loan secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956, the provisions of paragraphs 4 (iii) (f) and 4 (iii) (g) of the Order are not applicable.

- (iv) In our opinion, and according to the information given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and service. We have not observed any continuing failure to correct major weaknesses in internal control system during the course of our audit.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) According to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India, the provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975, where applicable. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) According to the information and explanations given to us the Central Government has prescribed the maintenance of cost records by the company under section 209 (1)(d) of the Companies Act, 1956 and such accounts and records have been made and maintained by the Company.
- (ix) (a) According to the information and explanations given to us, and on the basis of our examination of the books of accounts, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues wherever applicable including Provident fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other material statutory dues applicable to it, though delay was noted in some cases.



According to the information and explanations given to us no undisputed amounts payable in respect of Provident Fund, Income tax, Wealth tax, Sales tax, Service tax, Customs duty, Excise duty and Cess were in arrears as at 31.03.11 for a period of more than six months from the date they became payable, except Provident Fund dues for Rs. 1652412/-.

- (b) According to the information and explanation given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess, which have not been deposited on account of any dispute.
- (x) In our opinion, the accumulated losses of the Company at the end of the financial year are more than fifty percent of its net-worth and the Company has incurred cash loss during the current financial year and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or bank or debenture holders.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of paragraph 4(xii) of the Order are not applicable.
- (xiii) The Company is not a chit fund, nidhi, mutual benefit fund or a society. Accordingly, the provisions of paragraphs 4(xiii) (a) to 4(xiii)(d) of the Order are not applicable.
- (xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments. Hence the provisions of paragraph 4(xiv) of the Order are not applicable.
- (xv) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions. So provisions of paragraph 4(xv) of the Order are not applicable.
- (xvi) According to the information and explanations given to us and the records examined by us the Company has not applied the term loans in full for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us, the Company has not utilised the funds raised on short-term basis for long term investments.
- (xviii) The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956.



- (xix) According to the information and explanations given to us and the records examined by us, security or charge has been created in respect of the debentures issued.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **Vishnu Rajendran & Co**
Chartered Accountants
Firm Reg. No: 004741S

Place : Bangalore
Date : 11 August, 2011

Sd/-
C.A. P.A. Joseph, M.Sc., FCA
Partner
Mem. No: 201101



SCHEDULE 1.00

SIGNIFICANT ACCOUNTING POLICIES

1.01 DISCLOSURE OF ACCOUNTING POLICIES: AS-1

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (“GAAP”) under historical cost convention on accrual basis, except for certain Fixed Assets which have been revalued. GAAP comprises mandatory standards as specified in the Companies (Accounting Standards) Rules 2006 and the provisions of the Companies Act, 1956.

Accounting policies have been consistently applied and followed. However where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use or a change in accounting policy is warranted for better presentation of the underlying transaction, the policy is changed accordingly & thereafter followed consistently.

USE OF ESTIMATES:

The preparation of financial statements requires the management to make estimates and assumptions of some of the reported amounts of assets & liabilities, the amounts of revenue and expenses and disclosure of contingent assets and liabilities as at the balance sheet date. Actual amounts could differ from these estimates.

1.02 VALUATION OF INVENTORIES: AS-2

- (i) Stock of Raw Materials, Pulp, Chemicals, Fuel and Packing Materials is valued generally at weighted average cost.
- (ii) Finished stock namely paper and sugar is valued at cost or net realizable value whichever is lower. Molasses is valued at net realizable value. Cost in the case of Finished Goods include depreciation, packing material and excise duty but excludes interest & financial charges, selling expenses and administrative and other expenses. In the case of stock in process, it is valued at cost which includes depreciation but excludes administrative and other expenses.
- (iii) Bagasse for captive consumption is valued at equated cost of raw material (i.e., sugarcane) including taxes (wherever applicable). Bagasse determined as excess is valued at net realizable value.
- (iv) Stores and Spares are valued at weighted average cost. In respect of non-moving stores and spares, as determined, 50% of the value thereof is provided in the accounts for any loss that may arise on the items so determined.
- (v) Goods in transit are recognised as at the Balance sheet date as per the terms of supplies.
- (vi) Scrap is valued at estimated net realizable value.



(vii) Captive Plantations :

- a) All expenses incurred for Captive Plantations are shown separately in the Balance Sheet under “Captive Forest Plantations”.
- b) Yield obtained from Captive Plantation is valued at cost based on the total expenditure incurred on/ allocated to the year of plantation and the total quantity of yield obtained/expected from the respective year of plantation. While doing so due allowances have been made for the Lease Rent payable to Govt. of Karnataka. Similar valuation method is followed in the case of standing crops matured but not extracted.
- c) The extractions of pulpwood from the captive plantations are done based on the management plan approved by competent authority from time to time.

1.03 CASH FLOW STATEMENTS: AS-3

Cash Flow Statement has been prepared under Indirect Method. Cash and Cash Equivalents comprise cash in hand, current and other accounts (including fixed deposits) held with banks.

1.04 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE: AS- 4

Assets and Liabilities & Income and Expenditure are adjusted for events occurring after the balance sheet date that provide additional evidence to assist the estimation of amounts relating to conditions existing at the balance sheet date.

1.05 NET PROFIT OR LOSS FOR THE PERIOD, PRIOR PERIOD ITEMS AND CHANGES IN ACCOUNTING POLICIES: AS- 5

Significant items of extra-ordinary items, and prior period incomes and expenditures, are accounted in accordance with Accounting Standard – 5

1.06 DEPRECIATION ACCOUNTING: AS - 6

- (a) Fixed Assets acquired prior to 01/04/1960 are depreciated under Written Down Value (WDV) Method at the rates specified in the Income Tax Act, 1961.
- (b) In respect of Fixed Assets, except Furniture & Fixtures and Office Equipments, acquired on or after 1.4.1960, depreciation is provided as detailed below:
 - (i) In respect of Assets acquired upto 1.4.1987 as per the rates prescribed in the Income Tax Act, 1961, prevailing at the time of acquisition of the relevant asset.
 - (ii) In respect of Assets acquired on or after 2.4.1987 at the rates prescribed in Schedule XIV to the Companies Act ,1956 on Straight Line Method. Any change in the rates of depreciation in Schedule XIV is given effect in the respect of assets acquired on or after that date.



- (c) In respect of Furniture & Fixtures and Office Equipments acquired on or after 1.4.1960, the useful life of the assets has been determined as 10 years and depreciation as per Straight Line Method has been provided in the accounts accordingly.
- (d) Expenditure on internal partitions/extension of existing building costing individually Rs.20,000 and below is charged to revenue.
- (e) Depreciation on assets acquired/sold/discarded during the year is provided from/upto the month the asset is acquired/sold/discarded.
- (f) Insurance spares capital in nature is depreciated over a period of time not exceeding the useful life of the concerned principal / main asset.
- (g) Minimum depreciation is provided upto 95% of the acquisition cost/revalued amount as per Companies Act and balance 5% of the value is retained in the books.

1.07 REVENUE RECOGNITION: AS-9

- a) Revenue from sale of goods is recognised after the significant risks and rewards of ownership of the goods have been passed on to the buyer.
- b) The amount shown against sales in the profit and loss account is as per contracts of sale and represents the value net off trade discount, excise duty, sales tax and sales returns. Sales value also includes incidentals collected from customers.
- c) Sale of scrap is accounted on realisation.

1.08 ACCOUNTING FOR FIXED ASSETS: AS-10

Fixed Assets

Fixed Assets are stated at cost of construction/acquisition including any revaluation to the said asset less accumulated depreciation. The costs attributable to bring the fixed assets to a working condition are capitalised net off duties and taxes eligible for credit.

Fixed assets includes cost of Leased hold land which is stated based on the letters of allotment / agreement to lease and the same is amortized over lease period.

Capital Work -in- progress

Advances paid for acquisition of fixed assets and cost of assets (net off duties & taxes eligible for credit) not put to use as at the Balance Sheet date are disclosed under capital work in progress. Assets are capitalized when they are ready for use/put to use.

1.09 FOREIGN CURRENCY TRANSACTIONS: AS-11

Foreign currency transactions are recognised at the exchange rate prevailing on the date of transaction. As at the balance sheet date outstanding foreign currency items are restated at the closing rate prevailing



on that date. Exchange differences arising on the settlement of monetary items or on restatement of monetary items at rates different from which they were initially recorded during the year or reported in previous financial statements, are recognised as income or expenditure in the year in which they arise.

Contingent liabilities on foreign currency transactions as at the balance sheet date are disclosed at the closing rate.

1.10 ACCOUNTING OF GOVERNMENT GRANTS: AS-12

Government grants are reckoned in the accounts after its sanction by the competent authorities. Grants received against specific asset/s are credited to the respective asset/s. In the case of grant towards a specific project the same is reduced from the project cost. Grants in the form of assets received free of cost are taken into books of accounts at nominal value. Grants relating to revenue are recognized and shown under Rebates & Incentives as other income.

1.11 INVESTMENTS: AS-13

Long-term investments are valued at cost. Provision, if any, is made to recognize a decline other than a temporary decline in the value of long-term investments. Current investments if any, are valued at lower of cost and fair market value.

1.12 EMPLOYEE BENEFITS: AS-15

a) Short term employee benefits are charged at actuals to Profit and Loss account in the year in which the related services are rendered.

B) PROVIDENT FUND:

i) It is a Defined Benefit Plan covering permanent employees, TPF workers and Forest watchers wherein the company pays fixed contribution at pre-determined rates to a separate Provident Fund Trust approved by competent authority. The contribution to the fund for the period is charged to Profit and Loss Account. As the company is obliged to pay the amount of interest declared by the government from time to time, any short fall in the interest rate declared by the trust will be made good by the company.

ii) In respect of other contract workers fixed contribution at the pre-determined rates are remitted to state defined contribution plan operated by Regional Provident Fund commissioner and is charged to profit and loss account.

C) ACCUMULATED COMPENSATED ABSENCES

Liability towards Leave Encashment and Sick leave is provided based on Actuarial Valuation and charged to Profit & Loss Account.



D) SUPERANNUATION:

It is a Defined Contribution Plan. Certain employees of the company are participants of superannuation scheme. The company makes/provides pre-determined rate of contribution to the superannuation fund administered by Life Insurance Corporation of India and the same is charged to Profit & Loss Account. The company has no further obligation/s to the scheme beyond its contribution.

E) GRATUITY

It is a Defined Benefit Plan. The Company provides for gratuity to eligible employees, contract workers & forest watchers in accordance with the payment of Gratuity Act, 1972. Liability with regard to gratuity is determined by actuarial valuation as at the Balance Sheet date. Amount charged to profit & loss account is the difference between actuarial valuation and the corpus (including accrued interest) of the trust.

F) VOLUNTARY RETIREMENT SCHEME (VRS)

The expenditure incurred on VRS to employees is charged-off to profit and loss account.

1.13 BORROWING COST: AS-16

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of the asset. In respect of funds which are borrowed generally and used for the purpose of obtaining qualifying assets, the borrowing cost is determined by applying weighted average rate of the borrowing cost of the respective year. Other borrowing costs are recognised as expenditure in the year in which they are incurred.

1.14 SEGMENT REPORTING: AS-17

- a) The company has identified two business segments, viz., Paper and Sugar. Revenue and expenses have been identified to respective segments on the basis of operating activities of the company. Non-allocable revenue and expenses to a segment but relate to the company as a whole has been disclosed as unallocable revenue and expenses on a reasonable basis.
- b) Segment assets and liabilities represent assets and liabilities in respective segments. Other assets and liabilities that cannot be allocated to a segment have been disclosed as unallocable assets and liabilities on a reasonable basis.
- c) Inter segment revenue/expenditure is recognized as per Accounting Policy No. 1.02 (iii).
- d) There are no geographical segments to be reported as defined in Accounting standard – 17.

1.15 RELATED PARTY TRANSACTIONS: AS-18

Remuneration to Key Managerial Personnel, other than independent non-executive directors, is disclosed as 'Related Party Transactions' in Notes to Accounts.



1.16 EARNINGS PER SHARE: AS-20

In determining earnings per share, the company considers the net profit after tax and includes the post tax effect of extra-ordinary/exceptional items, if any. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earning per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

1.17 ACCOUNTING FOR TAXES ON INCOME: AS-22

Income tax expense is accounted in accordance with AS 22 which includes current taxes and deferred taxes. Deferred taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets are recognized only to the extent that there is virtual certainty that sufficient taxable income will be available to realize such assets.

1.18 INTANGIBLE ASSETS: AS-26

Research and Development expenses excluding items of capital in nature and those relating to Captive Forestry are charged to Profit & Loss Account as and when incurred.

1.19 IMPAIRMENT OF ASSETS: AS-28

In accordance with the AS-28 at each balance sheet date the company determines whether there is any indication of impairment of the carrying amount of the company's fixed assets. In case of any indication of impairment i.e., the carrying amount of the fixed assets exceeds its estimated recoverable amount, impairment loss is recognized and charged to Profit & Loss Account.

1.20 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS: AS-29

- a) Provision is recognized when
 - i. The company has a present obligation as a result of past event.
 - ii. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and
 - iii. A reliable estimate can be made of the amount of the obligation.
- b) Contingent liabilities are disclosed by way of Notes on accounts.
- c) Contingent assets are neither recognised nor disclosed.



THE MYSORE PAPER MILLS LIMITED
BALANCE SHEET AS AT 31ST MARCH 2011

| PARTICULARS | Rupees in Lakhs | | | | |
|---|-----------------|----------|-----------------|----------|------------|
| | Sch | As at | 31-03-2011 | As at | 31-03-2010 |
| SOURCES OF FUNDS | | | | | |
| A. SHARE HOLDERS FUNDS | | | | | |
| Capital | 2.01 | 11889.34 | | 11889.34 | |
| Reserves and Surplus | 2.02 | 519.41 | | 554.76 | |
| | | | 12408.75 | | 12444.10 |
| B. LOAN FUNDS | | | | | |
| Secured Loans | 2.03 | 9992.47 | | 4331.57 | |
| Unsecured Loans | 2.04 | 20817.27 | | 16917.27 | |
| | | | 30809.74 | | 21248.84 |
| Total (A+B) | | | 43218.49 | | 33692.94 |
| APPLICATION OF FUNDS | | | | | |
| C. FIXED ASSETS | | | | | |
| Gross Block | 2.05 | 51267.55 | | 50847.42 | |
| Less : Depreciation | | 39682.34 | | 38612.96 | |
| NET BLOCK | | 11585.21 | | 12234.46 | |
| Capital Works in Progress | 2.06 | 2021.30 | | 590.35 | |
| | | | 13606.51 | | 12824.81 |
| D. CAPTIVE FOREST PLANTATIONS | 2.07 | | 5118.21 | | 5074.48 |
| E. INVESTMENTS | 2.08 | | 62.33 | | 62.33 |
| F. CURRENT ASSETS, LOANS AND ADVANCES : | | | | | |
| Inventories | 2.09 | 11986.17 | | 10619.49 | |
| Sundry Debtors | 2.10 | 3285.61 | | 3395.20 | |
| Cash and Bank Balances | 2.11 | 4075.61 | | 1090.28 | |
| Loans and Advances | 2.12 | 5123.02 | | 2644.37 | |
| | | | | | |
| | | | 24470.41 | 17749.34 | |



THE MYSORE PAPER MILLS LIMITED
BALANCE SHEET AS AT 31ST MARCH 2011

| PARTICULARS | Rupees in Lakhs | | | | |
|---|-----------------|----------|-----------------|----------|------------|
| | Sch | As at | 31-03-2011 | As at | 31-03-2010 |
| Less : Current Liabilities and Provisions : | | | | | |
| Current Liabilities | 2.13 | 14091.23 | | 9031.26 | |
| Provisions | 2.14 | 5350.96 | | 3911.62 | |
| | | 19442.19 | | 12942.88 | |
| Net Current Assets | | | 5028.22 | | 4806.46 |
| | | | 23815.27 | | 22768.08 |
| G. MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted) | | | — | | — |
| H. PROFIT AND LOSS ACCOUNT | | | 19403.22 | | 10924.84 |
| TOTAL (C TO H) | | | 43218.49 | | 33692.94 |
| ACCOUNTING POLICIES | SCH. 1 | | | | |
| NOTES FORMING PART OF ACCOUNTS | SCH. 4 | | | | |

For & on behalf of the Board

Sd/-
H.S.N. RAO
COMPANY SECRETARY

Sd/-
VISHWANATH S MALGHAN
GENERAL MANAGER(FINANCE)i/c

Sd/-
C SHIVASHANKAR
DIRECTOR

Sd/-
PADAMKUMAR GARG, IPS
MANAGING DIRECTOR

As per our report attached
For VISHNU RAJENDRAN & CO
CHARTERED ACCOUNTANTS
Firm Reg. No : 004741S

PLACE : BANGALORE
DATE : 11.08.2011

Sd/-
CA P.A. JOSEPH, FCA
PARTNER
M.No. 201101



THE MYSORE PAPER MILLS LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

| PARTICULARS | Rupees in Lakhs | | | |
|---|-----------------|----------------------------------|-----------------|----------------------------------|
| | Sch | For the year ended 31-03-2011 | | For the year ended 31-03-2010 |
| A. INCOME | | | | |
| Sales | | 33725.83 | | 33742.72 |
| Less : Excise Duty & Cess | | 840.36 | | 761.42 |
| | | | 32885.47 | 32981.30 |
| Other Income | 3.01 | | 864.42 | 1037.37 |
| Variation in Stocks | 3.02 | | 2647.34 | -2989.11 |
| | | | 36397.23 | 31029.56 |
| B. EXPENDITURE | | | | |
| Raw Materials Consumed | | 12197.96 | | 8139.07 |
| Chemicals Consumed | | 3530.54 | | 3415.27 |
| Stores Consumed | | 691.04 | | 765.40 |
| Repairs & Maintenance | 3.03 | 944.93 | | 712.46 |
| Power and Fuel | | 9909.29 | | 10150.45 |
| Labour Charges | | 1856.60 | | 1645.78 |
| Employee Cost | 3.04 | 8991.76 | | 8470.29 |
| Administration and Other Expenses | 3.05 | 2025.63 | | 1222.55 |
| Selling Expenses | 3.06 | 1539.29 | | 1443.65 |
| | | | 41687.04 | 35964.91 |
| C. Profit/Loss(-) for the year before | | | | |
| Interest, Depreciation & Taxation | | | -5289.81 | -4935.35 |
| D. Interest | 3.07 | | 1918.02 | 1708.86 |
| E. Depreciation | | | 1038.91 | 1009.87 |
| Net Profit/Loss(-) for the year before taxes and prior period adjustment | | | -8246.74 | -7654.08 |
| F. Prior Period Adjustment (net)(Note.4.09) | | | 231.63 | 68.48 |
| Net Profit/Loss(-) Before Tax | | | -8478.37 | -7722.56 |



| PARTICULARS | Rupees in Lakhs | | | |
|--|-----------------|----------------------------------|------------------|----------------------------------|
| | Sch | For the year ended 31-03-2011 | | For the year ended 31-03-2010 |
| G. Taxes | | | 0.00 | 0.00 |
| Net Profit/Loss(-) After Tax | | | -8478.37 | -7722.56 |
| Add : Balance of loss(-) brought forward from—previous year | | | -10924.84 | -3202.28 |
| Balance of Loss(-) carried to Balance sheet | | | -19403.22 | -10924.84 |
| ACCOUNTING POLICIES | SCH. 1 | | | |
| NOTES FORMING PART OF ACCOUNTS | SCH. 4 | | | |
| EARNING PER SHARE BASIC-Rs. (Note:4.23) | | | -7.13 | -6.50 |
| DILUTED - Rs. | | | -6.87 | -6.26 |

For & on behalf of the Board

Sd/-
H.S.N. RAO
COMPANY SECRETARY

Sd/-
VISHWANATH S MALGHAN
GENERAL MANAGER(FINANCE)/c

Sd/-
C SHIVASHANKAR
DIRECTOR

Sd/-
PADAMKUMAR GARG, IPS
MANAGING DIRECTOR

As per our report attached
For VISHNU RAJENDRAN & CO
CHARTERED ACCOUNTANTS
Firm Reg. No : 004741S

PLACE : BANGALORE
DATE : 11.08.2011

Sd/-
C.A. P.A. JOSEPH, FCA
PARTNER
M.No. 201101



SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

SCHEDULE 2.01

| PARTICULARS | Rupees in Lakhs | |
|--|---------------------|---------------------|
| | As at 31-03-2011 | As at 31-03-2010 |
| SHARE CAPITAL : | | |
| AUTHORISED CAPITAL | | |
| 15,00,00,000 Equity Shares of Rs.10/- each | 15000.00 | 15000.00 |
| ISSUED, SUBSCRIBED, CALLED UP AND PAID UP CAPITAL | | |
| 11,88,93,432* Equity Shares of Rs.10/- each fully paid. | 11889.34 | 11889.34 |
| NOTE : * Includes 9,00,000 shares allotted by way of Bonus Shares by capitalisation of Share Premium and General Reserve | | |

SCHEDULE 2.02

| PARTICULARS | | Rupees in Lakhs | |
|-----------------------------------|--------|---------------------|---------------------|
| | | As at 31-03-2011 | As at 31-03-2010 |
| RESERVES & SURPLUS | | | |
| A. CAPITAL RESERVE | | | |
| As per Last Balance Sheet | | 5.50 | 5.50 |
| B. REVALUATION RESERVE | | | |
| As per Last Balance Sheet | 549.26 | | |
| Less : Adjustment during the year | | | |
| 1. Depreciation on Revaluation | 35.35 | 513.91 | 549.26 |
| | | 519.41 | 554.76 |

**SCHEDULE 2.03**

| PARTICULARS | Rupees in Lakhs | |
|---|---------------------|---------------------|
| | As at 31-03-2011 | As at 31-03-2010 |
| SECURED LOANS | | |
| a) WORKING CAPITAL FROM BANKS | | |
| - Cash Credits - Note 4.01(i) | 7131.88 | 1572.88 |
| b) TERM LOANS | | |
| i) IFCI - Note 4.01 (ii) (a) | 0.00 | 303.00 |
| ii) Interest Free Loan From Banks - Note 4.01 (ii) (b) | 409.24 | 604.34 |
| iii) Working Capital Term loan - Note 4.01 (ii) | 1200.00 | 0.00 |
| c) DEBENTURES | | |
| - 13.75% Debentures - Series III - Note 4.01 (iii) (a) | 800.00 | 1400.00 |
| - 12.75% Optionally Fully Convertible Debentures - Note 4.01 (iii) (b) (i) | 225.68 | 451.35 |
| - 15% Optionally Fully Convertible Debentures - Note 4.01 (iii) (b) (ii) | 225.67 | 0.00 |
| Total | 9992.47 | 4331.57 |

**SCHEDULE 2.04**

| PARTICULARS | Rupees in Lakhs | |
|---|-----------------------------|-----------------------------|
| | As at 31-03-2011 | As at 31-03-2010 |
| UNSECURED LOANS | | |
| From Government of Karnataka -Note 4.02 (a) | 10102.50 | 10102.50 |
| Short Term Loan - Axis Bank Ltd., | 900.00 | 2000.00 |
| Fixed Deposits | 1314.77 | 1314.77 |
| Non Convertible Bonds Series-1 - Note 4.02 (b) (i) | 3500.00 | 3500.00 |
| Non Convertible Bonds Series-1 - Note 4.02 (b) (ii) | 5000.00 | 0.00 |
| Total | 20817.27 | 16917.27 |

SCHEDULE 2.05

FIXED ASSETS SCHEDULE - 2010-11

(Rs. in Lakhs)

| Sl. No. | DESCRIPTION | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|---------|--|-----------------|-------------------|------------------|-----------------|-----------------|----------------|---------------|-----------------|-----------------|-----------------|
| | | As at 31.3.2010 | Additions/ Adjts. | Deletions/ Adjts | As at 31.3.2011 | Upto 31.3.2010 | for the year | Sale or Adjts | Upto 31.3.2011 | As at 31.3.2011 | As at 31.3.2010 |
| 1. | LAND | 317.76 | 0.00 | 0.00 | 317.76 | 0.00 | 0.00 | 0.00 | 0.00 | 317.76 | 317.76 |
| | LEASE HOLD LAND | 35.61 | -1.54 | 0.00 | 34.07 | 0.00 | 0.00 | 0.00 | 0.00 | 34.07 | 35.61 |
| 2 | BUILDINGS/ROADS/DRAINS | 5710.02 | 63.99 | 0.00 | 5774.02 | 3435.75 | 169.38 | 0.00 | 3605.13 | 2168.89 | 2274.27 |
| 3 | RAILWAYSIDING/LOCOMOTIVES | 6.23 | 0.00 | 0.00 | 6.23 | 6.00 | 0.00 | 0.00 | 6.00 | 0.23 | 0.23 |
| 4 | PLANT & MACHINERY | 43813.42 | 353.60 | 23.59 | 44143.43 | 34375.98 | 886.93 | 0.00 | 35262.91 | 8880.52 | 9437.43 |
| 5 | FURNITURE & FITTINGS & OFFICE EQUIPMENTS | 334.38 | 13.86 | 0.00 | 348.24 | 230.27 | 14.61 | 0.00 | 244.88 | 103.37 | 104.11 |
| 6 | VEHICLES | 109.35 | 0.00 | -13.80 | 123.15 | 64.99 | 5.01 | 9.22 | 60.78 | 62.36 | 44.36 |
| 7 | EARTH MOVING EQUIPMENTS | 520.65 | 0.00 | 0.00 | 520.65 | 499.97 | 2.67 | 0.00 | 502.64 | 18.01 | 20.68 |
| | T O T A L | 50847.42 | 429.92 | 9.79 | 51267.55 | 38612.96 | 1078.60 | 9.22 | 39682.34 | 11585.21 | 12234.46 |
| | PREVIOUS YEAR | 50574.36 | 374.57 | 101.51 | 50847.42 | 37660.02 | 1047.06 | 94.12 | 38612.96 | 12234.46 | 12914.34 |

Value of lease hold land is amortised over the lease period in accordance with the allotment letter issued by Bangalore Development Authority.

| | | |
|--|----------------|----------------|
| | 2010-11 | 2009-10 |
| Depreciation Provided for the year | 1078.60 | 1047.06 |
| Less : | | |
| 1. Transferred to Revaluation Reserve | 35.35 | 35.35 |
| 2. Transferred to Captive Plantation | 1.58 | 1.78 |
| 3. Transferred to Prior Period Adjustment. | 2.76 | 0.06 |
| Transferred to P & L Account | <u>1038.91</u> | <u>1009.87</u> |



**SCHEDULE 2.06**

| PARTICULARS | Rupees in Lakhs | |
|---|-----------------------------|-----------------------------|
| | As at 31-03-2011 | As at 31-03-2010 |
| CAPITAL WORKS IN PROGRESS | | |
| Buildings, Roads and Drains and Other civil works | 182.23 | 21.13 |
| Plant and Machinery | 1770.45 | 537.90 |
| Advances Paid to Suppliers/Contractors | 68.62 | 31.32 |
| TOTAL | 2021.30 | 590.35 |

**SCHEDULE 2.07**

| PARTICULARS | Rupees in Lakhs | | |
|---|----------------------------|--------------------------------------|----------------------------|
| | UPTO 31-03-2010 | ADDN/DEDN DURING THE YEAR | UPTO 31-03-2011 |
| CAPTIVE FOREST PLANTATION | | | |
| Plantation Expenses | 9105.20 | 674.76 | 9779.96 |
| Nursery | 1794.31 | 136.66 | 1930.97 |
| Repairs & Maintenance of Machinery & Equipments (Earth Moving Equipment, Tractors, Pumpsets, Implements and Vehicles | 942.47 | 45.75 | 988.22 |
| Stores Consumption | 469.26 | 30.80 | 500.06 |
| Salaries, Wages and other staff expenses | 7414.64 | 957.47 | 8372.11 |
| Travelling Expenses | 130.39 | 3.81 | 134.20 |
| Extraction and Transportation | 681.30 | 0.00 | 681.30 |
| Interest on Term Loans | 3663.93 | 0.00 | 3663.93 |
| Interest on Working capital | 1015.49 | 247.31 | 1262.80 |
| Depreciation | 556.14 | 1.58 | 557.72 |
| Foreign Exchange fluctuation Reserve | 1089.31 | 0.00 | 1089.31 |
| TOTAL | 26862.44 | 2098.14 | 28960.58 |
| Less : 1. Yield from Captive Plantations | 20015.91 | 1198.31 | 21214.22 |
| 2. Value of Standing Crops | 1132.53 | 856.10 | 1988.63 |
| 3. Grants from Govt. of Karnataka | 213.97 | 0.00 | 213.97 |
| 4. Expenses on Wild life Area surrendered | 425.55 | 0.00 | 425.55 |
| | 5074.48 | 43.73 | 5118.21 |

**SCHEDULE 2.08**

| PARTICULARS | Rupees in Lakhs | |
|---|-----------------------------|-----------------------------|
| | As at 31-03-2011 | As at 31-03-2010 |
| INVESTMENTS UNQUOTED-AT COST(NON TRADING) | | |
| IN EQUITY SHARES (Unquoted,fully paid other than trade) | | |
| 6,23,300 Shares of Rs.10 each in Mysore Electrical Industries Ltd., | 62.33 | 62.33 |
| TOTAL | 62.33 | 62.33 |

SCHEDULE 2.09

| PARTICULARS | Rupees in Lakhs | |
|--|-----------------------------|-----------------------------|
| | As at 31-03-2011 | As at 31-03-2010 |
| INVENTORIES (AS TAKEN,VALUED AND CERTIFIED BY MANAGEMENT) | | |
| Stores, Spares & Tools | 3522.09 | 3797.60 |
| Raw Materials | 2496.81 | 3038.34 |
| Chemicals | 165.00 | 148.42 |
| Coal, Coke, Furnace oil | 311.06 | 791.26 |
| Stock in Process -Paper and Sugar | 100.30 | 94.32 |
| Finished Goods | 5230.89 | 3336.95 |
| Bagasse | 800.88 | 53.46 |
| | 12627.03 | 11260.35 |
| Less : Provision for Non-moving Stores | 640.86 | 640.86 |
| TOTAL | 11986.17 | 10619.49 |



SCHEDULE 2.10

| PARTICULARS | Rupees in Lakhs | |
|---|---------------------|---------------------|
| | As at 31-03-2011 | As at 31-03-2010 |
| SUNDRY DEBTORS | | |
| l) Debts outstanding for a period exceeding Six months | | |
| Unsecured considered good | 389.03 | 813.46 |
| Unsecured considered doubtful | 808.41 | 13.72 |
| | 1197.44 | 827.18 |
| Less : Provision for doubtful debts | 808.41 | 13.72 |
| Sub - Total (I) | 389.03 | 813.46 |
| II) Other Debts (Considered good) | | |
| Secured | 230.61 | 87.05 |
| Unsecured | 2665.97 | 2494.69 |
| Sub - Total (II) | 2896.58 | 2581.74 |
| TOTAL (I + II) | 3285.61 | 3395.20 |

SCHEDULE 2.11

| PARTICULARS | Rupees in Lakhs | |
|---|---------------------|---------------------|
| | As at 31-03-2011 | As at 31-03-2010 |
| CASH AND BANK BALANCES | | |
| Cash on hand | 13.03 | 24.68 |
| Balances with Scheduled banks -in Current Accounts | 16.33 | 1065.60 |
| Short Term Deposit - Canara Bank | 4046.25 | 0.00 |
| TOTAL | 4075.61 | 1090.28 |

**SCHEDULE 2.12**

| PARTICULARS | Rupees in Lakhs | |
|--|---------------------|---------------------|
| | As at 31-03-2011 | As at 31-03-2010 |
| LOANS AND ADVANCES | | |
| (I) Unsecured Considered Good -Note 4.15 | | |
| Staff Advances | 158.19 | 307.20 |
| Others | 4737.70 | 2036.59 |
| (II) Unsecured Considered Doubtful | 96.92 | 96.92 |
| | 4992.81 | 2440.71 |
| Less : Provision for doubtful advances | 96.92 | 96.92 |
| Sub - Total | 4895.89 | 2343.79 |
| (III) Pre-Paid Expenses | 13.29 | 16.78 |
| (IV) Claims Receivable | 213.84 | 283.80 |
| (V) Short Term Deposit (M/s Mysore Lamp WorksLtd.) | 50.00 | |
| Less : Provison for Doubtful Advance | 50.00 | |
| | 0.00 | 0.00 |
| Total | 5123.02 | 2644.37 |

SCHEDULE 2.13

| PARTICULARS | Rupees in Lakhs | |
|-------------------------------|---------------------|---------------------|
| | As at 31-03-2011 | As at 31-03-2010 |
| CURRENT LIABILITIES | | |
| Sundry Creditors | 5545.81 | 4191.88 |
| Trade Advances and Deposits | 3025.93 | 1888.14 |
| Interest accrued but not due | 1971.19 | 985.47 |
| Other Liabilities | 3311.40 | 1859.91 |
| Excise Duty on Finished Goods | 236.90 | 105.86 |
| Total | 14091.23 | 9031.26 |

**SCHEDULE 2.14**

| PARTICULARS | Rupees in Lakhs | |
|----------------------|-----------------------------|-----------------------------|
| | As at 31-03-2011 | As at 31-03-2010 |
| PROVISIONS | | |
| Employee Cost | | |
| a) Gratuity | 2787.87 | 1754.48 |
| b) Leave Encashment | 914.64 | 706.86 |
| c) Sick Leave | 169.47 | 159.19 |
| d) Superannuation | 1478.98 | 1291.09 |
| Total | 5350.96 | 3911.62 |

Gratuity and Leave Encashment provision includes an amount of Rs. 152.68 Lacs (Rs. 458.21 lacs) provided towards gratuity and leave encashment payable to retired and VRS opted employees prior to 31.3.2011



**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2011**

SCHEDULE 3.01

| PARTICULARS | Rupees in Lakhs | |
|---|-------------------------|--------------------------|
| | Current Year | Previous Year |
| OTHER INCOME | | |
| Filtered Water Supply | 283.25 | 233.33 |
| Interest | | |
| On deposits and Advances | 8.85 | 7.94 |
| On Sales Transactions and Others | 20.49 | 22.97 |
| Rent | 25.97 | 32.74 |
| Profit on Sales of Fixed Assets | 0.67 | 0.23 |
| Sale of Energy to MESCOM -Note 4.14 | 215.74 | 257.34 |
| Variation in Excise Duty on Closing Stock | 0.00 | 59.64 |
| Provision no longer required - Written Back | 0.00 | 40.41 |
| Compensation for Wild life Area Surrendered -Note 4.07 (vi) | 0.00 | 203.76 |
| Sale of Scrap and Process Wastes | 108.88 | 147.98 |
| Others | 200.57 | 31.03 |
| TOTAL | 864.42 | 1037.37 |

**SCHEDULE 3.02**

| PARTICULARS | Rupees in Lakhs | |
|---------------------------------|-----------------|---------------|
| | Current Year | Previous Year |
| VARIATION IN STOCKS | | |
| A. Closing Balance | | |
| Bagasse Stock | 800.88 | 53.46 |
| Finished Goods | 5230.89 | 3336.95 |
| Stock in Process | 100.29 | 94.31 |
| Sub - Total 'A' | 6132.06 | 3484.72 |
| B. Opening Balance | | |
| Bagasse Stock | 53.46 | 247.24 |
| Finished Goods | 3336.95 | 6084.03 |
| Stock in Process | 94.31 | 142.56 |
| Sub - Total 'B' | 3484.72 | 6473.83 |
| Variation in Stock (A-B) | 2647.34 | -2989.11 |

SCHEDULE 3.03

| PARTICULARS | Rupees in Lakhs | |
|--------------------------------|-----------------|---------------|
| | Current Year | Previous Year |
| REPAIRS AND MAINTENANCE | | |
| Buildings | 12.19 | 28.88 |
| Plant and Machinery | 859.19 | 605.65 |
| Others | 73.55 | 77.93 |
| | 944.93 | 712.46 |

**SCHEDULE 3.04**

| PARTICULARS | Rupees in Lakhs | |
|-------------------------------------|------------------------|----------------------|
| | Current Year | Previous Year |
| EMPLOYEE COST | | |
| Salary & Wages and Bonus | 5963.49 | 5449.74 |
| VRS-Amortised amount | 80.56 | 934.05 |
| Contribution to Provident Fund | 674.81 | 586.83 |
| Contribution to Superannuation Fund | 262.43 | 264.20 |
| Gratuity | 1024.61 | 363.61 |
| Leave Salary | 466.10 | 249.35 |
| Sick Leave | 10.27 | 56.45 |
| Welfare Expenses | 509.49 | 566.06 |
| | 8991.76 | 8470.29 |

**SCHEDULE 3.05**

| PARTICULARS | Rupees in Lakhs | |
|--|------------------------|----------------------|
| | Current Year | Previous Year |
| ADMINISTRATION & OTHER EXPENSES | | |
| Rent | 53.59 | 49.71 |
| Insurance | 28.16 | 22.27 |
| Rates and Taxes | 105.13 | 50.95 |
| Vehicle Maintenance | 66.85 | 62.99 |
| Vehicle Hire Charges. | 29.79 | 36.13 |
| Travelling and Conveyance | 23.41 | 40.63 |
| Communications | 33.71 | 30.73 |
| Security charges | 154.96 | 125.56 |
| Printing & Stationery | 17.58 | 25.09 |
| Bank charges | 202.91 | 170.29 |
| Auditors Remuneration # | 4.59 | 5.43 |
| Directors Sitting Fees | 0.47 | 0.47 |
| Research & Development | 70.41 | 62.87 |
| Advertisement | 27.54 | 42.30 |
| Legal & Professional | 85.73 | 91.03 |
| Freight Charges | 77.46 | 92.78 |
| Provision for Bad & Doubtful Debts | 794.69 | 0.00 |
| Variation in Excise Duty on Closing Stock | 131.05 | 0.00 |
| Foreign Exchange fluctuation loss | 26.87 | 118.32 |
| Free Cane Seeds to farmers | 0.00 | 91.70 |
| Miscellaneous Expenses | 90.74 | 103.30 |
| TOTAL | 2025.63 | 1222.55 |



| # Details of Auditors' Remuneration | | |
|-------------------------------------|------|------|
| Statutory Audit | 3.25 | 3.25 |
| Tax Audit | 0.50 | 0.50 |
| Limited Review- Quarterly Results | 0.60 | 0.60 |
| Corporate Governance | 0.20 | 0.20 |
| Cash Flow Statement Certification | 0.05 | 0.05 |
| Others | 0.00 | 0.87 |

SCHEDULE 3.06

| PARTICULARS | Rupees in Lakhs | |
|-------------------------|-----------------|----------------|
| | Current Year | Previous Year |
| SELLING EXPENSES | | |
| Packing and Forwarding | 672.35 | 348.20 |
| Cash Discount on Sales | 866.94 | 1095.45 |
| TOTAL | 1539.29 | 1443.65 |

SCHEDULE 3.07

| PARTICULARS | Rupees in Lakhs | |
|-------------------------|-----------------|----------------|
| | Current Year | Previous Year |
| INTEREST CHARGES | | |
| Term Loans | 1161.29 | 1208.47 |
| Dealers' Deposits | 18.55 | 0.00 |
| Cash Credit | 512.93 | 242.78 |
| Fixed Deposit | 111.60 | 124.74 |
| Others | 113.65 | 132.87 |
| TOTAL | 1918.02 | 1708.86 |



SCHEDULE 4.00

NOTES ON ACCOUNTS

4.01 SECURITIES OFFERED FOR LOANS

- (i) Working Capital facilities obtained from banks are secured by hypothecation of company's present and future stock of raw materials, consumable stores, finished goods, materials in process and book debts and by second charge on the present and future assets of the company, which are offered by way of first charge as security to Financial Institutions (IFCI) and Debenture Trustees.
- (ii) (a) Term loans from Financial Institutions and Banks are secured by a First charge on the company's present and future immovable properties, Plant and Machinery, Spares, Tools, accessories and certain other movable properties and Second charge on the other assets offered as security to banks for cash credit.
- (b) Interest free term loan sanctioned by banks are governed by the terms and conditions as set out in "Scheme for extending financial assistance to sugar undertaking" in accordance with notification dated 07.12.2007 issued by Government of India. These loans are secured in favour of concerned banks by residual pari – passu charge on the company's current and fixed assets (movable and immovable properties) both present and future. During the year, the company has repaid a sum of Rs.195.10 Lakhs.

(iii) (a) Debentures (Series III)

Out of Debentures (Series I) amounting to Rs. 45.50 crs. the company, with the approval of the investors had rolled over Rs. 20.00 crs. for a further period of five years redeemable at par as under

| | | |
|---|------------------------------------|--------------|
| 1 | At the end of 5 th Year | 30 % in 2010 |
| 2 | At the end of 6 th Year | 30 % in 2011 |
| 3 | At the end of 7 th Year | 40 % in 2012 |

These debentures are secured by way of mortgage of both movable and immovable office properties owned by the company at Mumbai. During the year the company has redeemed debentures of series III to the extent of Rs 600 Lakhs.

- (b) 12.75 % Optionally Fully Convertible Debentures issued to IFICI on conversion of entire overdue interest & funded interest term loan aggregating to Rs.677.02 lakhs are redeemable in three equal annual installments during FY 2010 to FY2012 with earliest redemption due on 01.01.2010. In the event of default, IFICI shall have the right to convert all the defaulted amounts into equity at par. These debentures are secured by way of first charge on the fixed assets of the company present and future on pari-passu basis.

The company has rescheduled the repayment of second installment of Rs 225.67 Lakhs which was due on 01.01.2011 to 01.01.2012 at revised rate of interest of 15% p.a.



- iv) The mortgage and first charge on the company's present and future immovable properties, plant and machinery, spares, tools, accessories and certain other movable properties and second charge on other assets offered as security to banks for cash credit facility, rank pari-passu in respect of term loans from financial institutions and banks. Similarly hypothecation of present and future current assets together with second charge on present and future assets of the company secured for cash credit facility rank pari-passu among the consortium of bankers.

4.02 TERM LOANS

a) FROM GOVT. OF KARNATAKA

Government of Karnataka loans are of two types, viz (a) Direct loans through budgetary allocations and (b) loans under the scheme of Externally Aided Projects (EAP). In the absence of any reference to the rate of interests and repayment schedule, interest on loans under EAP scheme has been provided @ 14 % p.a. and no interest has been provided on direct loans given by Government through budgetary allocation. Interest @ 9% p.a. as suggested by Accountant General Karnataka, is not considered pending its approval by Government of Karnataka.

b) OTHERS

- i) 8.27% Unsecured redeemable Non convertible bonds:

8.27% Unsecured redeemable bonds of Rs.35 crores guaranteed by Government of Karnataka are redeemable in 4 equal installments from financial year 2013-14 onwards.

- ii) 8.49% Unsecured redeemable Non convertible bonds:

During the year the Company has raised Rs. 50 Crores by issue of 8.49 % Unsecured redeemable Non convertible bonds Guaranteed by Government of Karnataka, which redeemable in 4 equal installments from financial year 2017-18 onwards. Unutilized amount to the extent of Rs.40.46 crores is deposited in a scheduled bank and grouped under cash and bank balances schedule no. 2.11.

4.03 CONTINGENT LIABILITY

Contingent liability in respect of:

- (i) Letters of Credit and Guarantees Rs.2603.04 lakhs (Rs. 1973.08 lakhs).
(ii) Commitments for capital expenditure Rs 3100.30 lakhs (Rs. 2122.00 lakhs).
(iii) Claims against the company not acknowledged as debts Rs 52.77 lakhs (Rs. 70.77 lakhs).

4.04 DEBTORS, CREDITORS AND LOANS & ADVANCES:

- a) Confirmation of balances received/to be received from debtors, creditors and for loans and advances, are required to be reconciled wherever necessary and suitably adjusted.



- b) The company has not received any intimation from the suppliers regarding status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence no disclosure is made in respect of ;
 - i) Amount due and outstanding to suppliers as at the end of the accounting year.
 - ii) Interest paid during the year.
 - iii) Interest payable at the end of the accounting year, and
 - iv) Interest accrued and unpaid at the end of the accounting year.
- c) During the year the company has wirtten back Rs Nil lakhs (Rs.1.91 lakhs) for which the provision for bad and doubtful debts was made during earlier years.
- d) During the year the company has made provision to the extent of Rs.794.68 Lakhs towards bad and doubtful debts w.r.t outstanding of M/s Varta, and M/s Victory Press Pvt Ltd to the extent of Rs.601.47 lakhs and Rs 193.21 lakhs respectively, the legal proceedings on both the parties for recovering the dues are initiated and presently is at arbitration level. Recovery of the above dues will be recognized in the books on realization.

4.05 TAXATION

Provision towards Income Tax/KVAT/CST/other applicable taxes has been made in the accounts as determined. Any further liability will be provided in the accounts on completion of assessments and upon determination of further liability. Income Tax assessments have been completed up to FY 2008-09, KVAT up to FY 2008-09 and CST assessments up to FY 2007-08

4.06 FIXED ASSETS

- (i) Fixed assets include building, plant and machinery, furniture and fittings, office equipments, vehicles and earth moving equipments relating to captive forest plantation.
- (ii) The borrowing cost capitalised during the year is Rs 247.31 lakhs (Rs. 182.02 lakhs) pertains to Captive Forest Plantation and Rs 628.08 lakhs (Rs 137.98 lakhs) pertains to Capital work in progress.

4.07 CAPTIVE FOREST PLANTATION

- i. Expenditure relating to Captive Forest plantation other than fixed assets are grouped under Captive Forest Plantation and is shown in Schedule 2.07 and will be charged to profit & loss account as per Accounting Policy No.1.02 (vii).
- ii. Government of Karnataka has leased 30,000 hectares of degraded forest land and C and D class of lands to the company for raising captive plantations and use it for meeting pulp wood requirement.



- iii. Out of total lease area, the company has surrendered 4665.30 hectares of wild life areas to the Government as per the orders of the Hon'ble Supreme Court. Further, as per the interim order of the Hon'ble High Court, 3813 hectares of non-forestry land has to be surrendered to the Government after extracting the yield from such areas in respective maturity years and 1121 hectares have been surrendered so far.
- iv. Phase-I of the Captive Forest Plantation Programme has been financed by Overseas Development Agency, London, through Govt. of Karnataka, partly by Grant and partly by Loan and Equity. Government grants are accounted as per accounting Policy No. 1.10.
- v. Company has received 131254 MT (125426 MT) of Wood from Captive Forest Plantations during the year out of 3381.80 hectares (1957 hectares) of land & has provided Rs. 149.79 lakhs (Rs. 154.24 lakhs) towards 12.5% royalty/lease rental payable to Government of Karnataka.
- vi. Farm forestry expenditure is charged-off to the profit and loss account.

4.08 GOODS IN TRANSIT INCLUDED IN INVENTORIES:

| | <u>Current Year</u> | <u>Previous Year</u> |
|-----------------|---------------------|----------------------|
| | <u>Rs. in Lakhs</u> | |
| Raw Material | - | - |
| Stores & spares | 54.46 | 17.54 |
| Others | - | - |

4.09 PRIOR PERIOD ADJUSTMENTS

- a) Certain items of income and expenditure relating to prior period with net debit of Rs.231.63 Lakhs (Rs 68.48 Lakhs) arising mainly on account of short provision made during previous years in relation to freight on pulp, interest on dealers deposit, Interest on Term loan, entry tax and excess input tax availed.
- b) The water charges receivable in the order of Rs 88 lakhs from KPTCL/MESCOM and water charges payable in the order of Rs 60 lakhs to KNNL as per revised rates has not been provided in the books pending final decision at appropriate levels in the Government.

4.10 DEFERRED TAX

The company has accumulated losses as per provisions of Income Tax Act, 1961 and as a measure of prudence the company has not recognized the deferred tax asset in financial statements.



4.11 IMPAIRMENT OF ASSETS:

As the estimated recoverable amount of fixed assets is more than the carrying amount of such assets, there is no impairment loss that needs to be provided as per AS- 28.

4.12 PROVISION FOR NON MOVING INVENTORIES:

Generally, the company identifies the inventory position for Non-Moving Items of Stores & Spares. As at the Balance sheet date, the company has identified Non moving stores to the extent of Rs. 12.82 crores (12.82 crores) and has made a provision of 50% on the as per accounting policy no.1.02.

4.13 During the year, 19 (104) employees have opted Voluntary Retirement Scheme introduced by the company and an amount of Rs. 80.56 Lakhs towards the same have been accounted and shown under Schedule 3.04.

4.14 Pending reconciliation with MESCOM an amount of Rs.211.96 lakhs (the arrears claimed by MESCOM is Rs. 541.66 Lakhs and the amount provided by MPM is Rs.329.70 Lakhs) towards arrears and interest thereon is not recognized as expenditure in the books.

4.15 Loans and Advances (Unsecured considered good) under schedule 2.12 includes an advance to employees of Rs 98.66 lakhs (232.33 lakhs) and Rs Nil (46.30 lakhs) to contract workers paid against salary/wage revision.

4.16 Related party disclosure as per Accounting Standard 18 is applicable in respect of remuneration paid to Chairman and Managing Director and the details of the same are given vide note on accounts 4.31 (c).

4.17 The Packing and Forwarding expenses accounted under the head 'Selling Expenses' is net off cost of Rs 19.95 Lakhs (Rs.1.67 Lakhs) of Ream Wrapper paper produced and used in packing of Writing & Printing Paper and Newsprint.

4.18 The company has leased 4 acres of land for 20 years to M/s Anudeep Corbonates (P) Ltd, for setting up of an ancillary unit for manufacture of Burnt Lime and the same is governed by the Lease agreement dtd.15.11.1997.

4.20 During the year the company has accounted loss exchange rate fluctuation to the extent of Rs.26.87 lakhs.

4.21 Figures for the previous year have been regrouped/reclassified/recast wherever necessary to confirm to current year's presentation.

4.22 Amounts have been rounded off to the nearest two decimal points of lakhs of rupees.



4.23 EARNINGS PER SHARE

The computation table of basic and diluted earnings per share is as under:

| | 31.03.2011 | 31.03.2010 |
|--|--------------------|--------------------|
| a) Profit (Loss) after tax for the year | (8478.37) Lakhs | (7722.56) Lakhs |
| b) Weighted average number of Basic equity shares outstanding during the year. | 118893432 | 118893432 |
| c) Weighted average number of Diluted (Basic and potential) equity shares outstanding during the year. | 123406932 | 123406932 |
| c) Nominal value of shares (Rs.) | 10 | 10 |
| d) Earnings per share – Basic (a/b) | (7.13) | (6.50) |
| e) Earnings per share – Diluted (a/c) | (6.87) | (6.26) |
| Diluted shares relate to 12.75% optionally convertible Debentures of Rs.451.35 Lakhs as on 31.03.2011. | | |

4.24 EMPLOYEE BENEFITS

- The fair value of the assets of the provident fund trust including the return on the Assets thereof as on the Balance Sheet date being greater than the obligations under the defined benefit plan, no further charge to the profit and loss account is required.
- The disclosure in respect of defined benefits as per Accounting Standard- 15 is as under:

(Rs. In Lakhs)

| Type of Plan | Gratuity | | Long Term Compensated Absence | |
|--|----------------|----------------|-------------------------------|---------------|
| | Current Year | Previous Year | Current Year | Previous Year |
| (I) Changes in Present Value of Obligation (PVO) - Reconciliation of opening and closing balances of the present value of the defined benefit obligation: | | | | |
| PVO at the beginning of the period | 4560.46 | 4497.43 | 864.23 | 785.10 |
| Current service cost | 1313.05 | 230.16 | 469.67 | 262.48 |
| Interest cost | 355.69 | 353.24 | 58.81 | 48.77 |
| Benefits paid | (228.55) | (431.15) | (258.31) | (224.85) |
| Actuarial (gain)/loss | (278.59) | (89.22) | (51.40) | (7.27) |
| PVO at the end of the period. | 5722.06 | 4560.46 | 1083.01 | 864.23 |



(Rs. In Lakhs)

| <i>Type of Plan</i> | <i>Gratuity</i> | | <i>Long Term Compensated Absence</i> | |
|--|-----------------|----------------|--------------------------------------|---------------|
| | Current Year | Previous Year | Current Year | Previous Year |
| (II) Change in Plan Assets (Gratuity Trust) - Reconciliation of Opening and Closing balances of fair value of plan assets : | | | | |
| Value of Plan assets at the beginning of the period | 3262.16 | 3010.29 | - | - |
| Expected return on plan assets | 243.66 | 240.82 | - | - |
| Contributions made by the company | 221.73 | 148.15 | 258.31 | 224.85 |
| Benefits paid | (654.45) | (148.15) | (258.31) | (224.85) |
| Actuarial gain/(loss) | 12.68 | 11.05 | - | - |
| Value of Plan assets at the end of the period. | 3085.78 | 3262.16 | - | - |
| (III) Reconciliation of balances of present value of the defined benefit obligation and fair value of plan assets. | | | | |
| Fair value of the plan assets at the end of the period | 3085.78 | 3262.16 | - | - |
| Present value of defined benefit obligation at the end of the period | 5722.06 | 4560.46 | 1083.01 | 864.23 |
| Liability recognised in the balance sheet. | 1133.83 | 1298.30 | (1083.01) | 864.23 |
| (IV) Expenditure for the period. | | | | |
| Current service cost | 1313.05 | 230.16 | 469.67 | 262.48 |
| Interest cost | 355.69 | 353.24 | 58.81 | 48.77 |
| Estimated rate of return on plan assets | (243.66) | (240.82) | - | - |
| Actuarial (gain)/loss | (291.27) | (442.20) | (51.40) | (7.27) |
| Net Gratuity Cost | | (99.62) | 477.08 | 303.98 |
| (V) Principal of Actuarial Assumptions: | | | | |
| Discount Rate | 8% | 8% | 8% | 8% |
| Salary Escalation rate | 2% | 2% | 2% | 2% |
| Attrition rate | 0.5% | 0.5% | 0.5% | 0.5% |
| Expected rate of return on plan assets | 8% | 8% | 8% | 8% |

Note: The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.



4.25 SEGMENT INFORMATION

(Rs. in lakhs)

| PARTICULARS | 2010-11 | | | 2009-10 | | |
|---|------------------|------------------|------------------|------------------|-----------------|------------------|
| | PAPER | SUGAR | TOTAL | PAPER | SUGAR | TOTAL |
| (a) Information about Business | | | | | | |
| Segment Revenue : | | | | | | |
| External | 29514.73 | 4211.10 | 33725.83 | 28261.41 | 5481.31 | 33742.72 |
| Internal –Segment-(Bagasse) | (1606.40) | 1606.40 | | (399.15) | 399.15 | – |
| Total Revenue | 27908.33 | 5817.50 | 33725.83 | 27862.26 | 5880.46 | 33742.72 |
| Segment Result | (4507.31) | (1770.20) | (6277.51) | (4065.39) | (918.83) | (4984.22) |
| Unallocated Income (Expenditure) net off Unallocated Expenditure | | | (312.18) | | | (1060.39) |
| (Income) Interest Expenses | | | (1918.02) | | | (1708.86) |
| Interest Income | | | 29.34 | | | 30.91 |
| Profit from ordinary activities | | | – | | | – |
| Net profit(profit after tax) | | | (8478.37) | | | (7722.56) |
| Other information : | | | | | | |
| Segment Assets | 37049.20 | 6208.26 | 43257.46 | 33628.69 | 2082.27 | 35710.96 |
| Unallocated Corporate Asset (Accum Loss) | | | 19403.22 | | | 10924.86 |
| Segment Liability | 40718.73 | 7457.44 | 48176.17 | 27446.08 | 2234.12 | 29680.20 |
| Unallocated Corporate Liability | | | 14484.52 | | | 16955.62 |
| Depreciation | 1017.84 | 21.07 | 1038.91 | 987.89 | 21.98 | 1009.87 |

Note : (a) The Management has identified two reportable business segments viz.,

Paper - comprising of Writing Printing Paper and Newsprint and Sugar.

(b) Inter Segment Revenue- Bagasse generated in the process of Production of sugar is valued as per accounting policy 1.02 (iii).



4.26 Additional information pursuant to the provisions of paragraph 4 [c] of Part II of Schedule VI to the Companies Act, 1956 :

| | Current Year Qty in MTs Value Rs. lakhs | | Previous Year Qty in MTs Value Rs. lakhs | |
|--|---|----------|--|----------|
| A. CAPACITY & PRODUCTION - PER ANNUM | | | | |
| (I) Licensed Capacity : | | | | |
| Writing, Printing and Speciality Paper | 37000 | | 37000 | |
| Newsprint | 75000 | | 75000 | |
| Sugarcane Crushing Capacity (per day) | 2500 | | 2500 | |
| (ii) Installed Capacity: | | | | |
| (as certified by management) Writing, Printing and Speciality Paper | 30000 | | 30000 | |
| Newsprint | 75000 | | 75000 | |
| Sugarcane Crushing Capacity (per day) | 2500 | | 2500 | |
| (iii) Actual Production: | | | | |
| Writing, Printing and Speciality Paper | 43050 | | 46833 | |
| Newsprint | 33608 | | 34246 | |
| Sugar | 27402 | | 8020 | |
| B. SALES | | | | |
| 1. i) Writing, Printing and Speciality Paper | | | | |
| a) Domestic | 45705 | 19162.30 | 40755 | 16697.11 |
| b) Export | 1432 | 546.92 | 569 | 189.11 |
| | 47137 | 19709.22 | 41324 | 16886.22 |
| ii) Newsprint | | | | |
| a) Domestic | 33642 | 9805.51 | 44895 | 11375.19 |
| Sub Total -Paper | 80779 | 29514.73 | 86220 | 28261.41 |
| 2. Sugar : | | | | |
| Sugar-Free | 14470 | 3943.18 | 17249 | 4702.23 |
| Sugar-Levy | 0 | 0.00 | 3133 | 470.30 |
| Molasses | 6855 | 267.92 | 4286 | 308.78 |
| Sub Total-Sugar | | 4211.10 | | 5481.31 |
| Grand Total | | 33725.83 | | 33742.72 |



| C. INTERNAL CONSUMPTION/REPROCESSING LOSS (in MTs) | Current Year | | Previous Year | |
|--|--------------|-------------------|---------------|-------------------|
| | Qty in MTs | Value Rs.lakhs | Qty in MTs | Value Rs.lakhs |
| 1. Writing, Printing and Speciality Paper | | 29 | | 186 |
| 2. Newsprint | | 43 | | 87 |
| 3. Sugar | | 96 | | 651 |
| D. STOCK OF FINISHED GOODS | | | | |
| 1. Writing, Printing & Speciality Papers | | | | |
| Opening | 7102 | 2728.62 | 1780 | 561.27 |
| Closing | 2986 | 1123.12 | 7102 | 2728.62 |
| 2. Newsprint : | | | | |
| Opening | 961 | 255.55 | 11697 | 2853.96 |
| Closing | 883 | 255.82 | 961 | 255.55 |
| 3. Sugar : | | | | |
| Opening | 1232 | 334.92 | 14245 | 2630.86 |
| Closing | 14068 | 3598.52 | 1232 | 334.92 |
| E. STOCK OF OTHER SALEABLE GOODS | | | | |
| Molasses : | | | | |
| Opening | 256 | 17.86 | 544 | 37.95 |
| Closing | 6718 | 253.44 | 256 | 17.86 |
| F. RAW MATERIALS & CHEMICALS CONSUMED | | | | |
| 1. Raw Materials: | | | | |
| Bamboo | 11136 | 199.97 | 16792 | 311.29 |
| Wood | 126891 | 2139.71 | 137721 | 2263.14 |
| Eucalyptus | 59401 | 926.46 | 24152 | 423.73 |
| Wood Pulp | 10820 | 3508.51 | 13010 | 3593.21 |
| | | <u>6774.65</u> | | <u>6591.37</u> |
| Sugarcane Crushed* | 291576 | 5423.31 | 87287 | 1361.67 |
| | | 0.00 | | 186.03 |
| | | <u>5423.31</u> | | <u>1547.70</u> |
| Total Raw Materials | | <u>12197.96</u> | | <u>8139.07</u> |



| | Current Year | | Previous Year | |
|-------------------|--------------|-------------------|---------------|-------------------|
| | Qty in MTs | Value Rs.lakhs | Qty in MTs | Value Rs.lakhs |
| 2. Chemicals: | | | | |
| Caustic Soda Lye | 3883 | 863.25 | 3834 | 966.52 |
| Sodium Sulphate | 1502 | 119.93 | 1844 | 134.51 |
| Hydrogen Peroxide | 1530 | 321.11 | 1901 | 448.14 |
| Burnt Lime | 18754 | 954.09 | 16955 | 846.68 |
| Others | | 1272.17 | | 1019.42 |
| | | 3530.54 | | 3415.27 |

* Bagasse generated in Sugar Mill is being used for Captive pulp production and as Fuel in Boilers

G. BREAKUP OF RAW MATERIALS & CHEMICALS CONSUMED

| | | | | |
|---------------|----------|--------|----------|--------|
| 1. Indigenous | 14950.55 | 95.05 | 10792.32 | 93.40 |
| 2. Imported | 777.95 | 4.95 | 762.02 | 6.60 |
| Total | 15728.50 | 100.00 | 11554.34 | 100.00 |

H. BREAK UP OF SPARES CONSUMED

| | | | | |
|---------------|--------|--------|--------|--------|
| 1. Indigenous | 442.27 | 83.33 | 740.69 | 79.16 |
| 2. Imported | 88.49 | 16.67 | 194.95 | 20.84 |
| Total | 530.75 | 100.00 | 935.64 | 100.00 |

4.27 Value of Imports -C.I.F. basis

| | Rs.in lakhs | |
|------------------|--------------|---------------|
| | Current year | Previous year |
| 1. Raw Materials | 264.56 | 316.68 |
| 2. Spare Parts | 89.18 | 184.00 |
| | 353.74 | 500.68 |

4.28 Expenditure in Foreign currency

Nil Nil

4.29 Earnings from Exports

| | | |
|-------------------------------|--------|--------|
| 1. Export of Goods -FOB Basis | 546.92 | 189.11 |
| 2. Others | — | — |



4.30 Amounts remitted in Foreign Currency during the year on account of Dividends to Non-resident Shareholders and the years to which such dividends relate :-

| | Current year | Previous Year |
|--|---------------------|----------------------|
| 1. No. of Shareholders | 249 | 256 |
| 2. No. of Shares held by them | 1613229 | 1393083 |
| 3. Amount remitted(Net of Tax) | Nil | Nil |
| 4. Year to which such dividends relate | Nil | Nil |

4.31 Expenditure incurred on employees(including Managing Director) who are in receipt of remuneration of not less than :

| | Current year | Previous Year |
|---|---------------------|----------------------|
| (a) Rs.24,00,000 (Rs.24,00,000) per annum and were employed throughout year : | Nil | Nil |
| (b) Rs.2,00,000 (Rs.2,00,000) per month and employed part of the year : | Nil | Nil |
| (c) Details of Remuneration of Chairman & Managing Director | | (Rs in Lacs) |
| i) Sri Venkataiah, IAS, MD From 29/03/2007 to 12/11/2008 | | |
| Salary & Allowance | 0 | 0.00 |
| Leave Salary & Pension Contribution (Arrears) | 1.53 | 0.00 |
| ii) Sri Anil Kumar, IAS, MD From 01/04/2010 to 18/04/2010 | | |
| Salary & Allowance | 0.79 | 7.11 |
| Leave Salary & Pension Contribution | 0.00 | 1.36 |
| iii) Sri Padam Kumar Garg, IPS, MD From 02/02/2011 | | |
| Salary & Allowance | 2.26 | 0.00 |
| Leave Salary & Pension Contribution | 0.00 | 0.00 |



iv) Sri Araga Jnanendra, Chairman

From 01/04/2010

| | | |
|---------------------------------|------|------|
| Salary & Allowance | 0.00 | 0 |
| House Rent and Other Allowances | 9.53 | 8.34 |

Signature to Schedules 1 to 4 of Balance Sheet and Profit and Loss Account.

| | | | |
|-------------------|-----------------------------|-----------------------|----------------------------|
| Sd/- | Sd/- | Sd/- | Sd/- |
| H.S.N. RAO | VISHWANATH S MALGHAN | C SHIVASHANKAR | PADAMKUMAR GARG IPS |
| COMPANY SECRETARY | GENERAL MANAGER(FINANCE)/c | DIRECTOR | MANAGING DIRECTOR |

For VISHNU RAJENDRAN & CO
CHARTERED ACCOUNTANTS
Firm Reg. No : 004741S

PLACE : **BANGALORE**

DATE : 11.08.2011

Sd/-
C.A.P.A. JOSEPH, FCA
PARTNER
M.No. 201101



BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE

REGISTRATION DETAILS :

Registration No. U99999KA1936SG0001 7 3

State Code : 0 8 (Refer Code List I)

Balance Sheet

Date : 31.03.2011

I. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue

N I L L

Rights Issue

N I L L

Bonus Issue

N I L L

Private Placement

N I L L

II. Position Mobilisation & Deployment of Funds (Amount in Thousands)

Total Liabilities :

4 3 2 1 8 4 9

Total Assets :

4 3 2 1 8 4 9

Sources of Funds :

Paid-up Capital :

1 1 8 8 9 3 4

Reserves & Surplus :

5 1 9 4 1

Share Appln Money

0 0 0

Secured Loans :

9 9 9 2 4 7

Unsecured Loans :

2 0 8 1 7 2 7

Application of Funds :

Net Fixed Assets:

1 3 6 0 6 5 1

Investments :

6 2 3 3

Net Current Assets:

5 0 2 8 2 2

Misc.Expenditure :

0 0 0

Accumulated Losses :

1 9 4 0 3 2 2

Captive Forest Plantation:

5 1 1 8 2 1

III. Performance of Company(Amount in Thousands)

Turnover

3 6 3 9 7 2 3

Total Expenditure :

4 4 6 4 3 9 7

Profit / Loss Before Tax

- 8 2 4 6 7 4

Profit/Loss after Tax:

- 8 2 4 6 7 4

Please tick appropriate box (+) for Profit (-) for Loss.

Earning per share in Basic :Rs.

- 7 . 1 3

Dividend

N I L L

Earning per share in Diluted :Rs.

- 6 . 8 7

IV. Generic names of three Principal products/services of Company

Item Code No.(ITC Code)

4 8 0 1 0 0 0 9

Product Description

N E W S P R I N T

Item code No.(ITC Code)

4 8 0 2 / 4 8 0 4

Product Description

P A P E R & P A P E R B O A R D S

Item code No.(ITC Code)

1 7 0 1 1 1 0 0

Product Description

C A N E S U G A R



CASH FLOW STATEMENT FOR THE YEAR 2010-11

Rupees in Lakhs

| PARTICULARS | Current Year | | Previous Year | |
|---|--------------|-----------------|---------------|-----------------|
| | | | | |
| A. CASH FLOWS FROM OPERATION ACTIVITIES | | | | |
| Net Profit/Loss(-) after Tax | | -8478.37 | | -7722.56 |
| Add : Taxes Paid (Fringe Benefit Tax) | | 0.00 | | 0 |
| Profit before tax | | -8478.37 | | -7722.56 |
| Adjustment for : | | | | |
| Depreciation* | 1041.67 | | 1009.93 | |
| *Rs 0.06 (-2.73) lacs accounted -Prior Period Adj. | | | | |
| Interest Expenses | 1918.02 | | 1708.86 | |
| Profit on sale of Fixed Asset | -0.67 | | -0.23 | |
| | | 2959.02 | | 2718.56 |
| Operating Profit/Loss(-) Before working Capital changes | | -5519.35 | | -5004.00 |
| Less : | | | | |
| Increase in Inventories | 1366.68 | | — | |
| Increase in Loans & Advances | 2478.65 | | — | |
| Increase in Trade & Other Receivables | — | | — | |
| Decrease in Trade & Other Payable | — | | — | |
| Taxes Paid | — | | — | |
| | | 3845.33 | | 0.00 |
| ADD : | | | | |
| Increase in Trade & Other Payables | 6499.31 | | 3602.64 | |
| Decrease in Inventories | 0 | | 5274.42 | |
| Decrease in Loans and Advances | 0.00 | | 478.86 | |
| Decrease in Trade & Other Receivables | 109.60 | | 1632.30 | |
| | | 6608.91 | | 10988.22 |
| Cash Generated from Operations (A) | | -2755.77 | | 5984.21 |



Rupees in Lakhs

| PARTICULARS | Current Year | Previous Year |
|--|-----------------|-----------------|
| B CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | -1860.87 | -755.50 |
| Sale/Adjustment of Fixed Assets | 1.24 | 7.62 |
| Captive Plantation | -42.15 | -729.41 |
| Decrease in Investment | 0.00 | 0.11 |
| Net Cash Used in Investing Activities | -1901.78 | -1477.18 |
| C. CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Loans from Financial Institutions and Banks | 9560.90 | -1792.01 |
| Fixed Deposits | 0.00 | 0.00 |
| Interest paid | -1918.02 | -1708.86 |
| Net Cash used in Financing Activities | 7642.88 | -3500.87 |
| Net Increase/Decrease(-) in Cash & Cash Equivalents (A+B+C) | 2985.33 | 1006.16 |
| Cash & Cash Equivalents at the beginning of the year | 1090.28 | 84.12 |
| Cash & Cash Equivalents at the end of the year | 4075.61 | 1090.28 |

For & on behalf of the Board

Sd/-

C SHIVASHANKAR
DIRECTOR

Sd/-

H.S.N. RAO
COMPANY SECRETARY

Sd/-

VISHWANATH S MALGHAN
GENERAL MANAGER (FINANCE) i/c

Place : **Bangalore**
Date : 11.08.2011

Sd/-

PADAMKUMAR GARG, IPS
MANAGING DIRECTOR

As per our Report attached

For **VISHNU RAJENDRAN & CO**
CHARTERED ACCOUNTANTS
Firm Reg. No : 004741S

Sd/-

C.A. P.A. JOSEPH, FCA
PARTNER
M.No. 201101

FINANCIAL DIGEST

| | 2010-11 | 2009-10 | 2008-09 | 2007-08 | 2006-07 | 2005-06 | 2004-05 | 2003-04 | 2002-03 | 2001-02 | 2000-01 |
|-------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| INCOME | | | | | | | | | | | |
| Value of Production | 34779.41 | 30234.22 | 41701.39 | 38361.96 | 41896.51 | 34415.45 | 29655.14 | 30614.58 | 28316.51 | 27631.79 | 36267.55 |
| Deffered Tax | — | — | — | — | — | — | — | — | 543.45 | 1259.00 | — |
| Other Revenues Income | 1617.82 | 795.35 | 2677.03 | 3663.21 | 1073.64 | 3144.59 | 4282.01 | 4356.28 | 3050.67 | 2852.91 | 640.10 |
| | 36397.23 | 31029.57 | 44378.42 | 42025.17 | 42970.15 | 37560.04 | 33937.15 | 34970.86 | 31910.63 | 31743.70 | 36907.65 |
| EXPENDITURE | | | | | | | | | | | |
| Raw Material & Chemicals | 15728.50 | 11554.34 | 13851.72 | 14596.48 | 17606.01 | 12781.89 | 10813.11 | 12676.82 | 13577.99 | 12762.87 | 14933.72 |
| Personnel | 8991.76 | 8470.29 | 7042.33 | 8294.88 | 6711.69 | 6898.39 | 6398.37 | 5742.07 | 5213.47 | 4834.46 | 4891.69 |
| Manufacturing | 13401.86 | 13274.09 | 16851.72 | 13701.48 | 12502.72 | 10971.59 | 11066.93 | 11771.85 | 10295.31 | 11836.15 | 12343.69 |
| Marketing & Other Expenses | 3362.01 | 2495.91 | 1376.92 | 1838.68 | 2379.52 | 2174.77 | 2017.30 | 1735.48 | 1338.32 | 1516.55 | 1342.24 |
| Financial Charges | 2120.93 | 1879.15 | 2047.05 | 2304.40 | 2998.45 | 2696.91 | 2668.62 | 2315.87 | 2087.61 | 2831.82 | 1345.03 |
| Depreciation | 1038.91 | 1009.87 | 994.86 | 992.65 | 985.10 | 980.08 | 989.02 | 973.40 | 1479.75 | 1534.60 | 1178.73 |
| Prior Period Adjustments | 231.63 | 68.48 | 569.00 | -229.10 | -313.93 | 758.68 | 801.17 | 733.52 | 3.78 | (-86.53) | — |
| Taxation-FBT | 0.00 | 0.00 | 11.89 | 19.58 | 37.45 | 39.04 | - | | | | |
| | 44875.60 | 38752.13 | 42745.49 | 41519.05 | 42907.01 | 37301.38 | 34754.52 | 35949.01 | 33996.23 | 35229.92 | 36035.10 |
| Net Profit/Loss for the Year | -8478.37 | -7722.56 | 1632.93 | 506.12 | 63.14 | 258.66 | -817.37 | -978.15 | -2085.60 | -3486.22 | 872.55 |
| Add : Transfer from General Reserve | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0 | 0 | 205.77 | 0 | 0 |



FINANCIAL DIGEST (Contd.)

| | 2010-11 | 2009-10 | 2008-09 | 2007-08 | 2006-07 | 2005-06 | 2004-05 | 2003-04 | 2002-03 | 2001-02 | 2000-01 |
|---|-----------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Add/Less : Deferred tax asset of earlier year | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0 | -1072.45 | -1262.00 | 532.00 | 0 |
| Balance Brought forward from Previous Year | -10924.84 | -3202.29 | -4835.23 | -5341.36 | -5404.50 | -5663.16 | -4845.79 | -2795.19 | 346.64 | 3300.86 | 2827.92 |
| Profit(+)/Loss(-) available for appropriation | -19403.20 | -10924.84 | -3202.29 | -4835.23 | -5341.36 | -5404.50 | -5663.16 | -4845.79 | -2795.19 | 346.64 | 3700.47 |
| Appropriation : | | | | | | | | | | | |
| (I) Investment Allowance Reserve | — | — | — | — | — | — | — | — | — | — | — |
| (ii) Provision for Income Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.0 | 0.00 | 76.00 |
| (iii) Dividend | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 | 0.00 | 323.61 |
| Balance Carried to Balance Sheet | -19403.20 | -10924.84 | -3202.29 | -4835.23 | -5341.36 | -5404.50 | -5663.16 | -4845.79 | -2795.19 | 346.64 | 3300.86 |
| Paper Production (Tonnes) | 76657 | 81079 | 109271 | 118364 | 116230 | 102648 | 102317 | 109780 | 106710 | 90520 | 116766 |
| Sugar Production (Tonnes) | 26402 | 8020 | 21651 | 39662 | 51828 | 33085 | 23420 | 40407 | 55838 | 41489 | 45340 |
| Paper Sales(Tonnes) | 80779 | 85683 | 98135 | 119193 | 116057 | 103812 | 104074 | 105647 | 117493 | 82586 | 112275 |
| Sugar Sales(Tonnes) | 14470 | 20382 | 42539 | 31746 | 35922 | 27874 | 30975 | 29927 | 75493 | 53946 | 42766 |
| A. ASSETS : | | | | | | | | | | | |
| Gross Block | 51267.55 | 50847.42 | 50574.36 | 50388.79 | 50286.43 | 50084.92 | 49903.03 | 49679.09 | 51719.14 | 51576.33 | 50943.89 |
| Depreciation | 39682.34 | 38612.96 | 37660.02 | 36643.06 | 35625.79 | 34675.09 | 33634.40 | 32574.43 | 35724.97 | 34166.91 | 32558.86 |
| Net Block | 11585.21 | 12234.46 | 12914.34 | 13745.73 | 14660.64 | 15409.83 | 16268.63 | 17104.66 | 15994.17 | 17409.42 | 18385.03 |



FINANCIAL DIGEST (Contd.)

| | 2010-11 | 2009-10 | 2008-09 | 2007-08 | 2006-07 | 2005-06 | 2004-05 | 2003-04 | 2002-03 | 2001-02 | 2000-01 |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Capital Work in Progress & Others | 7139.51 | 5664.81 | 5050.09 | 4667.08 | 4518.00 | 4930.82 | 4787.25 | 3982.35 | 7645.91 | 7688.50 | 10390.47 |
| Investments | 62.33 | 62.33 | 62.44 | 62.44 | 62.44 | 0.11 | 0.11 | 62.44 | 62.44 | 62.44 | 62.44 |
| Deferred Tax Asset | — | — | — | — | — | 0 | 0 | 0 | 1072.45 | 1791.00 | — |
| Net Working Capital | -1873.05 | 3465.70 | 11552.38 | 8414.41 | 10695.31 | 9307.77 | 4266.16 | 2318.57 | 3315.69 | 7669.37 | 6531.24 |
| Profit & Loss A/c | 19403.20 | 10924.84 | 3202.29 | 4835.23 | 5341.36 | 5404.50 | 5663.16 | 4845.79 | 2795.19 | — | — |
| Total 'A' | 36317.20 | 32352.14 | 32781.54 | 31724.89 | 35277.75 | 35053.03 | 31601.38 | 30261.40 | 29888.73 | 30267.05 | 36507.31 |
| B. LIABILITIES : | | | | | | | | | | | |
| Secured Loans | 2860.57 | 2758.66 | 8357.71 | 7698.46 | 9465.19 | 9899.49 | 6673.53 | 6749.48 | 6971.73 | 7159.00 | 10202.44 |
| Unsecured Loans | 20817.27 | 16917.27 | 11717.27 | 11281.92 | 13081.92 | 12305.21 | 12047.69 | 10597.10 | 9965.84 | 9716.11 | 9919.82 |
| Dealers Deposits | 230.61 | 232.11 | 227.11 | 229.36 | 178.79 | 108.99 | 104.75 | 101.87 | 99.56 | 98.60 | 96.32 |
| Total 'B' | 23908.45 | 19908.04 | 20302.09 | 19209.74 | 22725.90 | 22313.69 | 18825.97 | 17448.45 | 17037.13 | 16973.71 | 20218.58 |
| C. NET WORTH (A-B) | 2408.75 | 12444.10 | 12479.45 | 12515.15 | 12551.85 | 12739.34 | 12775.41 | 12812.95 | 12851.60 | 13293.32 | 16288.73 |
| D. REPRESENTED BY | | | | | | | | | | | |
| Equity | 11889.34 | 11889.34 | 11889.34 | 11884.48 | 11884.48 | 11884.48 | 11884.48 | 11884.48 | 11884.48 | 11884.48 | 11746.17 |
| Share Application Money | - | - | - | 4.86 | 4.86 | 155.75 | 155.75 | 155.75 | 155.75 | 0 | 138.31 |
| Reserves | 519.41 | 554.76 | 590.11 | 625.81 | 662.51 | 699.11 | 735.18 | 772.72 | 811.37 | 1408.84 | 4404.25 |
| Net Worth | 12408.75 | 12444.10 | 12479.45 | 12515.15 | 12551.85 | 12739.34 | 12775.41 | 12812.95 | 12851.60 | 13293.32 | 16288.73 |





THE MYSORE PAPER MILLS LIMITED

Regd. Office: 16/4, Ali Asker Road, Bangalore - 560 052.

ಎಲ್.ಎಫ್. ನಂ.....
Ledger Folio No.:.....

ಹಾಜರಾತಿ / ATTENDANCE SLIP

ಸದಸ್ಯರ ಹೆಸರು / Name of the Member

D.P. Id*

ಷೇರುಗಳ ಸಂಖ್ಯೆ / No. of Share(s) held

Client Id*



ಶುಕ್ರವಾರ 30ನೇ ಸೆಪ್ಟೆಂಬರ್, 2011ರಂದು ಮಧ್ಯಾಹ್ನ 2.30 ಕ್ಕೆ ಕೆಎಎಸ್ ಆಫೀಸರ್ಸ್ ಅಸೋಸಿಯೇಷನ್ (ಪೊಲೀಸ್ ಕಮೀಷನರ್ ಕಛೇರಿ ಹತ್ತಿರ), ನಂ. 1/1, ಇನ್ಫಂಟ್ರಿ ರಸ್ತೆ, ಬೆಂಗಳೂರು - 560 052, ಇಲ್ಲಿ ನಡೆಯುವ ಕಂಪನಿಯ 76ನೇ ವಾರ್ಷಿಕ ಮಹಾಸಭೆಗೆ ನಾನು ನನ್ನ ಹಾಜರಾತಿಯನ್ನು ನಮೂದಿಸುತ್ತಿದ್ದೇನೆ.

I hereby record my presence at 76th Annual General Meeting of the Company held on Friday, the 30th September, 2011, at 2.30 P.M. at KAS Officers Association (Near Police Commissioner's Office), No. 1/1, Infantry Road, Bangalore - 560 052.

ಸದಸ್ಯ / ಪ್ರತಿನಿಧಿಯ ಸಹಿ
Signature of the Member / Proxy



THE MYSORE PAPER MILLS LIMITED

Regd. Office: 16/4, Ali Asker Road, Bangalore - 560 052.

ಪ್ರತಿನಿಧಿ ನಮೂನೆ / PROXY FORM

ನಾನು / ನಾವುಮೇಲ್ಕಂಡ ಕಂಪನಿಯ ಸದಸ್ಯನಾ(ರಾ)ಗಿದ್ದು (ಊರು) ಅಥವಾ ಇವರನ್ನು, ಲೋಪವಾದಲ್ಲಿ ಇವರು ನನಗಾಗಿ/ನಮಗಾಗಿ ನನ್ನ/ನಮ್ಮ ಪರವಾಗಿ 30-09-2011 ರಂದು ನಡೆಯುವ /ಅಥವಾ ಮುಂದೂಡಲಾಗುವ ಕಂಪನಿಯ 76ನೇ ವಾರ್ಷಿಕ ಮಹಾಸಭೆಯಲ್ಲಿ ಹಾಜರಾಗಲು ಮತ್ತು ಮತ ನೀಡಲು ನೇಮಿಸಿದ್ದೇನೆ. ನನ್ನ / ನಮ್ಮ ಸಾಕ್ಷಿಯಾಗಿ ಈದ ದಿನವಾದ 2011.

I/We..... being member(s) of the above Company hereby appoint of orfailing him of as /our proxy to attend and vote for me/us on my/our behalf at the 76th Annual General Meeting of the Company to be held on 30th September, 2011 and/or at any adjournment thereof.

As witness my/our hand(s) this day of 2011.

- ಟಿಪ್ಪಣಿ : 1. ಸದಸ್ಯನಾಗಿ ಸಭೆಗೆ ಮತ ನೀಡಲು ಅರ್ಹತೆಯುಳ್ಳ ಸದಸ್ಯನು ತನ್ನ ಪರವಾಗಿ ಸಭೆಗೆ ಹಾಜರಾಗಿ ಮತ ನೀಡಲು ಪ್ರತಿನಿಧಿಯೊಬ್ಬನನ್ನು ನೇಮಿಸಲು ಅರ್ಹನಾಗಿರುತ್ತಾನೆ.
2. ಪ್ರತಿನಿಧಿಯು ಸದಸ್ಯನಾಗಿರಬೇಕಾದ ಅವಶ್ಯಕತೆಯಿಲ್ಲ.
3. ಪೂರ್ಣಗೊಳಿಸಿದ ಪ್ರತಿನಿಧಿ ಪತ್ರವನ್ನು ಸಭೆಯ ಆರಂಭದ ಸಮಯಕ್ಕೆ 48 ಘಂಟೆಗಳಿಗೆ ಮುಂಚಿತವಾಗಿ ನೋಂದಾಯಿತ ಕಛೇರಿಯಲ್ಲಿ ತಲುಪಿಸುವುದು.

- Notes : 1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself.
2. A proxy need not be a member.
3. The form thus completed should be deposited at the Registered Office of the Company at Bangalore not less than FORTY EIGHT HOURS BEFORE THE MEETING.



| | |
|------------|--|
| D.P. Id* | |
| Client Id* | |

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ಸದಸ್ಯನ ಸಹಿ
Signature of Member

*Applicable for Shareholder in Electronic form.



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