

**Eighty-Sixth
Accounts & Report
2003-04**



ANGLO-INDIA JUTE MILLS COMPANY LIMITED



MEMBERS ARE REQUESTED TO BRING THEIR COPY OF THE ANNUAL
REPORT ALONG WITH THEM AT THE ANNUAL GENERAL MEETING.
NO COPIES OF THE REPORT WILL BE DISTRIBUTED AT THE MEETING.

ANGLO-INDIA JUTE MILLS COMPANY LIMITED

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DIRECTORS

Harbhajan Singh

N. Pujara

S. K. Mitra - Nominee of BIFR

COMPANY SECRETARY

M. K. Bathwal

AUDITORS

N. N. Das & Co.

BANKERS

Ing Vysya Bank Ltd.

IndusInd Bank Ltd.

State Bank of India

REGISTRAR

MCS Ltd.

77/2A, Hazra Road

Kolkata - 700 029

REGISTERED OFFICE

18, Netaji Subhas Road

Kolkata - 700 001

WORKS

Jagatdal

24 Parganas (North)

West Bengal

ANGLO-INDIA JUTE MILLS COMPANY LIMITED

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the Eighty-Sixth Annual General Meeting to the members of the Company will be held at the auditorium of 'Bharatiya Bhasha Parishad', 36A, Shakespeare Sarani, Kolkata - 700 017 on 25th September 2004 at 11.30 a.m. to transact the following business :

As Ordinary Business :

1. The consider and adopt the audited Balance Sheet as at 31st March 2004 and the Profit & Loss Account for the year ended on that date, together with the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Nirmal Pujara, who retires by rotation, but being eligible, offers himself for re-appointment.
3. To appoint auditors and to fix their remuneration.

As Special Business :

To consider and if thought fit, to pass, with or without modifications, the following Resolutions as Ordinary Resolution :

4. "RESOLVED that Mr. Bhushan Wadhwa, who was appointed an Additional Director of the Company by the Board pursuant to section 260 of the Companies Act, 1956 and holds office only upto the date of this Annual General Meeting and in respect of whom the Company has received a notice from a member under Section 257 of the Companies Act, 1956, in writing along with a deposit of Rs. 500/-, proposing candidature of Mr. Bhushan Wadhwa for the office of the Director, be and is hereby appointed a Director of the Company, liable to retire by rotation."

To consider and if thought fit, to pass, with or without modifications, the following Resolutions as Special Resolutions :

5. "RESOLVED that pursuant to the provisions of Section 16 and all other applicable provisions, if any, of the Companies Act, 1956, and the Articles of Association of the Company, the existing Clause 5 of the Memorandum of Association of the Company relating to the Share Capital be and is hereby substituted as follows :

"5 The share capital of the Company is Rs. 10,00,00,000 (Rupees Ten crores) divided into 50,00,000 (Fifty lakhs) Equity Shares of Rs. 10/- each and 50,00,000 (Fifty Lakhs) Cumulative Preference Shares of Rs. 10/- each and such Preference Shares shall confer the right to a fixed cumulative preferential dividend at the rate of 7 percent per annum on the capital for the time being paid-up thereon and shall rank as regards capital in priority to the Equity Shares but shall not confer the right to any further participation in profits or assets, and upon any increase of capital, the Company is to be at liberty to issue any new shares with any preferential, deferred, qualified or special rights, privileges or conditions attached thereto. The rights for the time being attached to the Preference Shares in the initial capital or to any shares having preferential, deferred, qualified or special rights, privileges or conditions attached thereto may be altered or dealt with in accordance with the provisions of the accompanying Articles of Association, but not otherwise."

6. "RESOLVED that pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, and the Articles of Association of the Company, Article 4 of the Company's Articles of Association be and is hereby substituted as follows :

"4 The Capital of the Company is Rs. 10,00,00,000 (Rupees Ten crores) divided into 50,00,000 (Fifty lakhs) Equity Shares of Rs. 10/- each and 50,00,000 (Fifty Lakhs) Cumulative Redeemable Preference Shares of Rs. 10/- each. The said Preference Shares shall confer the right to a fixed cumulative preferential dividend at the rate of 7 percent per annum on the capital for the time being paid up thereon and shall rank as regards capital in priority to the Equity Shares, but shall not confer the right to any further participation in profits or assets, and upon any increase of capital, the Company is to be at liberty to issue any new shares with any preferential, deferred, qualified or special rights, privileges or conditions attached thereto."

ANGLO-INDIA JUTE MILLS COMPANY LIMITED

"RESOLVED FURTHER that the words 'Ordinary Shares' wherever appearing in the Memorandum and Articles of Association be substituted with 'Equity Shares'."

7. "RESOLVED that pursuant to Section 80 and all other applicable Provisions, if any, of the Companies Act, 1956, and subject to the approval, wherever required, of any other authority, the Board of Directors of the Company (hereinafter referred to as 'the Board') be and is hereby authorised, on behalf of the Company, to issue upto 22,00,000 fully paid up 7% Cumulative Redeemable Preference Shares of Rs. 10/- each at par for a period not exceeding 20 years to such investors/ companies/ bodies corporate/ individuals/ other persons in such manner and on such terms and conditions as the Board may, in its absolute discretion, consider proper or expedient."
8. "RESOLVED that pursuant to Clause (i) of the Proviso to Sub-section (1) of Section 163 of the Companies Act, 1956, consent be and is hereby accorded to the Index of Members and Register of Members of the Company being kept at the office of the Company's Registrar and Share Transfer Agents, Messrs. MCS Limited at 77/2A, Hazra Road, Kolkata - 700 029 instead of the same being kept at the Registered Office of the Company."

Dated : 14th August, 2004
Registered Office :
18, Netaji Subhas Road,
Kolkata - 700 001

By order of the Board
(M. K. BATHWAL)
Company Secretary &
Financial Controller

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Notes :

1. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote instead of himself, and the proxy need not be a member of the Company.
2. The instrument appointing the proxy should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
3. The Register of Members and the Share Transfer Book of the Company will remain closed from 20th September 2004 to 25th September 2004 (both days inclusive).
4. The Company has appointed M/s MCS Limited, 77/2A, Hazra Road, Kolkata - 700 029 as Physical-cum-Electronic Share Registrar.
5. An Explanatory Statement pursuant to section 173 of the Companies Act, 1956 in respect of items 4 to 8 of the Notice set out above, is annexed hereto.

ANGLO-INDIA JUTE MILLS COMPANY LIMITED

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No 4

Mr. Bhushan Wadhwa was appointed as an Additional Director of the Company during the year. Pursuant to Section 260 of the Companies Act, 1956, Mr. Bhushan Wadhwa holds office as Director only upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member along with a deposit of Rs. 500/- proposing the candidature of Mr. Bhushan Wadhwa for the office of Director of the Company under the provisions of Section 257 of the Companies Act, 1956.

Mr. Bhushan Wadhwa is a well known personality in the Trade & Industrial Sector having wide experience in Marketing & Industrial fields. Keeping in view his vast experience and knowledge it will be in the interest of the Company that Mr. Bhushan Wadhwa is appointed as a Director of the Company.

Your Directors, therefore, recommend the Resolution for your approval.

Save and except Mr. Bhushan Wadhwa, none of the Directors of the Company is concerned or interested in the said Resolution.

Item No. 5 & 6

The present Authorised Share Capital of the Company is Rs. 10,00,00,000/- divided into 1,00,000 7% Cumulative Redeemable Preference Shares of Rs. 10/- each and 99,00,000 Ordinary Shares of Rs. 10/- each and the Subscribed and Paid Up Share Capital thereagainst is Rs. 1,18,17,180/- divided into 40,000 nos. 7% Cumulative Redeemable Preference Shares of Rs. 10/- each fully paid up and 11,41,718 Ordinary Shares of Rs. 10/- each fully paid up.

As explained in Item 7 below, the Board has decided, subject to necessary approvals, to allot 22,00,000 fully paid up 7% Cumulative Redeemable Preference Shares of Rs. 10/- each of the total nominal value of Rs. 220 lakhs to its promoter, i.e. The Champdany Industries Ltd. The present Authorised Share Capital consists of only 1,00,000 Preference Shares of Rs. 10/- each out of which 40,000 Shares have already been issued, subscribed and paid up. Hence, it is essential that the Authorised Share Capital in respect of Preference Shares be adequately increased. Further, against the Authorised Ordinary Share Capital of Rs. 9,90,00,000/-, only Ordinary Shares of the total nominal value of Rs. 11,14,17,180/- have been issued, subscribed and paid up.

The proposed issue requires the modification of the Memorandum and Articles of the Company suitably as detailed in the Resolutions. It may be noted that the total Authorised Share Capital of the Company will not be increased by the said Resolutions.

None of the Directors of the Company is concerned or interested in the said Resolutions.

A copy of the Memorandum and Articles of Association of the Company is open for inspection by the Members at the Registered Office of the Company during business hours on any working day upto and including the date of the Annual General Meeting.

Item No. 7

On a reference made on behalf of the Company under section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 (hereinafter called 'the Act') the Company has been declared by the Board for Industrial and Financial Reconstruction (BIFR) to be a sick industrial Company within the meaning of sec 3(1) (o) of the Act. The Board, vide its order dated 4th February 1994 made under section 18(4) read under section 19(3) of the Act, had sanctioned a scheme a rehabilitation of the Company. The Board has also appointed IFCI Ltd. as the Operating Agency.

Since then the cost of the scheme has been fully met and all the Banks and Financial Institutions have been paid and there has been general compliance of most aspects of the scheme and the Company is also generating profits.

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In terms of the last order passed by BIFR on 12th March, 2004 containing the summary records of the proceedings of the hearing of the Meeting held on 16th February, 2004, the Company was required to submit its comments and recommendations by 30th June, 2004 to make the net worth positive.

As per the audited accounts of the Company for the year ended 31st March 2004, the accumulated losses as at 31st March 2004 exceeds the net worth by about Rs. 216 lakhs. Accordingly, in order to make its net worth positive, the Company has proposed to BIFR to issue necessary Redeemable Preference Shares of Rs. 10/- each fully paid up to its promoters, The Champdany Industries Ltd, subject to necessary approvals. Hence, the Board recommends the Special Resolution proposed to be passed and seeks your approval to issue such Preference Shares of the Company under Section 80 and other relevant provisions of the Companies Act, 1956.

None of the directors of the Company is concerned or interested in the said Resolution.

Item No. 8

The Company has appointed M/s MCS Limited, 77/2A, Hazra Road, Kolkata - 700 029 as the Registrar and Shares Transfer Agent of the Company. To facilitate efficient operation of all shares related work of the Company and for administrative convenience, it is proposed to keep the Register of Members and Index of Members of the Company at the office of the Company's new Registrar and Share Transfer Agent, M/s MCS Limited at 77/2A, Hazra Road, Kolkata - 700 029.

Pursuant to the provisions of Section 163 of the Companies Act, 1956, Register of Members and Index of Members are required to be kept at the Registered Office of the Company. But these may be kept at any other place within the city in which the Registered Office of the Company is situate, if such other place is approved for this purpose by a Special Resolution passed by the Company in a General Meeting. Hence this resolution.

The Board of Directors of the Company recommends the resolution for the approval of the Members in the interest of the Company.

None of the Directors of the Company is concerned or interested in the said Resolution.

Dated : 14th August, 2004
Registered Office :
18, Netaji Subhas Road
Kolkata - 700 001

By order of the Board
(M. K. BATHWAL)
Company Secretary &
Financial Controller

ANGLO-INDIA JUTE MILLS COMPANY LIMITED**DIRECTORS' REPORT TO THE SHAREHOLDERS**

Ladies & Gentlemen,

The Directors of your company have pleasure in presenting their report alongwith the Audited Statement of accounts for the year ended 31st March, 2004.

FINANCIAL RESULTS :

	<u>Rs. in lakhs</u>
Profit before Depreciation	671.24
Less : Depreciation	118.89
Net Profit	552.35
(Loss) brought forward from the previous year	(886.79)
(Loss) carried to Balance Sheet	(334.44)

PERFORMANCE :

Production during the year was 36,935 MT as compared to 37,608 MT in the previous year. Sales/other operational income was Rs. 10,438.72 lakhs as compared to Rs. 9,309.77 lakhs in the previous year. The performance would have been better but for the increase in electricity rates and other input costs without commensurate increase in the sales price. Further, closure of the jute mill owing to industry-wide strike in jute mills from 29th December 2003 to 9th January 2004 and non-availability of workers for some time thereafter, adversely affected the working results.

REHABILITATION PROGRAMME :

An amount of Rs. 216.60 lakhs was incurred by the company during the year under review on modernization and installation of balancing equipments so as to improve efficiency, reduce costs and achieve better product-mix. Despite constraints, all out efforts are being made for revival of the company by taking necessary measures in this regard.

FUTURE OUTLOOK :

The main concern facing the Industry at present is low productivity, continuous rise in input costs and dilution in the Jute Packaging Order. Further the availability and price of raw jute is dependent on the vagaries of nature.

Impending dilution of the Jute Packaging Materials (Compulsory use for Packing Commodities) Act, 1987 has for the time being stayed by the Hon'ble Calcutta High Court. However, this is a very short lived respite. Unless the new Govt. considers favourably the State Government supported request to defer or slow down the dilution process, Jute Industry will face severe demand problem in the traditional sector.

In the larger interest of all concerned, the Industry-wide Wage Agreement signed in January 2002 should be implemented without any further delay.

The new crop of Raw Jute in the current season is expected to be smaller and consequently the prices are expected to remain firm in the ensuing season.

Your Company is continuing its focus on further cost reduction and widening its product base and looks forward to the future with cautious optimism.

BOARD OF DIRECTORS :

Shri Nirmal Pujara retires by rotation at the forthcoming Annual General Meeting of the company and, being eligible, offers himself for re-appointment.

AUDITORS' REPORT :

Observations of the auditors in their report have been adequately dealt with in the relevant Notes in Schedule 'M' of Accounts.

CORPORATE GOVERNANCE :

Clause 49 of the listing agreement is not applicable to the company.

DIRECTORS' RESPONSIBILITY STATEMENT :

To the best of their knowledge and belief and according to the information and explanations received from the day to day operating Management, your directors, pursuant to section 217(2AA) of the Companies Act, 1956, confirm that :

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures.
- ii) such accounting policies have been selected and applied consistently and judgements and estimates made reasonably and prudently so as to give a true and fair view of the state of affairs of the company as on 31st March 2004 and its profit for the year ended on that date.

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- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) the annual accounts have been prepared on a going concern basis.

BIFR MATTER :

As per the direction of the Board for Industrial and Financial Reconstruction (BIFR) vide its order dated 12th March, 2004 the company will be submitting the audited accounts of the company for the year ended 31st March, 2004 alongwith a certificate from its auditors showing the working in respect of computation of the networth and company's comment and recommendation. Accordingly, to make the networth positive, Promoter, The Champdany Industries Ltd. has paid full amount of subscription monies aggregating Rs. 220 lacs for issue of Preference Shares of Rs. 10/- each on 30th June, 2004.

SUBSIDIARY COMPANY :

Pursuant to section 212 of the Companies Act, 1956, the audited accounts of Landale & Clark Ltd, a wholly owned subsidiary of the company, together with its Directors' and Auditors' Report thereon and the Statement of Interest are attached. The consolidated accounts, as required, are also presented herewith.

AUDITORS :

The company's auditors, M/s N N Das & Co., Chartered Accountants, retire at the forthcoming Annual General Meeting of the company, and being eligible offer themselves for reappointment. M/s N Radhakrishnan & Co., Cost Accountants, Kolkata are the Cost Auditors of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORTION AND FOREIGN EXCHANGE EARNINGS/OUTGO :

The information required under section 217(l) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 with respect to these matters are given in Annexure 'A' to the Directors' Report.

PERSONNEL :

The relation between the management and employees remained cordial during the year under review. The directors wish to place on record their appreciation of the efficient and loyal services rendered by the company's employees at all level. Since there was no employee in the company drawing a remuneration in excess of the prescribed limit, the provision of Section 217(2A) of the Companies Act, 1956, read with Rules made thereunder are not applicable.

ACKNOWLEDGEMENT :

Your Directors take this opportunity to place on record their appreciation for support extended by Govt. of West Bengal through its financial scheme for rehabilitation of sick industries, but for which present results would not have been possible.

Kolkata, the 30th June 2004

On Behalf of the Board
HARBHAJAN SINGH
N. PUJARA
S. K. MITRA
Directors