

Aditya Mills Limited

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39th ANNUAL REPORT 1999-2000

ANNUAL REPORT

YEAR ENDED MARCH 31, 2000

BOARD OF DIRECTORS

Shri A. K. Kanoria
(Chairman)

Shri D. Kanoria
(Vice-Chairman & Managing Director)

Shri A. K. Sharma
(Nominee : PNB)

Shri A. C. Bhatt
(Nominee : Govt. of Rajasthan)



AUDITORS

G. P. Kejriwal & Co., Jaipur

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BANKERS

Punjab National Bank

REGISTERED OFFICE

Madanganj-Kishangarh 305 801
(Rajasthan)

Aditya Mills Limited**NOTICE****TO THE SHAREHOLDERS**

NOTICE is hereby given that 40th Annual General Meeting of the members of ADITYA MILLS LIMITED will be held at its Registered Office at **Madanganj-Kishangarh** (Rajasthan) on Monday, the 30th October, 2000 at 10.00 A.M. to transact the following business :

As Ordinary Business

1. To consider and adopt the audited Balance Sheet as at 31st March, 2000 and Profit & Loss Account of the Company for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint Director in place of Shri A. K. Kanoria, who retire by rotation and being eligible, offers himself for re-election.
3. To appoint Auditors and to fix their remuneration and for this purpose, to pass with or without modification, the following as a Special Resolution :

"RESOLVED that pursuant to the provisions of Section 224 A of the Companies Act, 1956 M/s G.P. Kejriwal & Company, Chartered Accountants, Jaipur be and are hereby reappointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a fee of Rs. 10,500.00 (Same as last year)".

As Special Business

4. To consider and if thought fit, to pass the following Resolution, with or without Modification, as Ordinary Resolution.

"RESOLVED that subject to approval of all concerned and pursuant to the provisions of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956, the Board of Directors be and is hereby authorised to deal, negotiate and sell of the assets of the company as may be required to meet the liabilities of government dues, workmen, secured creditors and others and for this purpose, to sign, seal and deliver such instruments, assignments, contracts, deeds, conveyances or any other instruments that may be considered necessary, usual or proper for the sale which according to the Board of Directors may be considered beneficial and convenient for the Company."

Registered Office :
Madanganj-Kishangarh
 (Rajasthan) 305 801
 Dated : 29th Sept, 2000

By Order of the Board
N. C. PATNI
 Manager (Finance)

Aditya Mills Limited

Notes :

1. The Register of Members and the Share Transfer Books of the Company will remain closed from 23rd October, 2000 to 30th October, 2000 both days inclusive.
2. A member entitled to attend and vote in the above Meeting is entitled to appoint one or more proxies to attend and vote instead of himself and proxy need not be a member of the Company.
3. The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item No. 3 and 4 is annexed hereto.
4. For the sake of convenience, the shareholders are requested to bring thier copy of the accounts when attending this meeting.
5. Shareholders desiring any information as regards accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.

EXPLANATORY STATEMENT

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

ITEM NO. 3

Since more than 25% of the subscribed share capital of the Company is held by a State Government, Financial Institutions, Nationalised Banks and Insurance Companies, reappointment of M/s G. P. Kejriwal & Co. as Auditors of the Company has to be made by a Special Resolution as required under Section 224 A of the Companies Act, 1956.

ITEM NO. 4

Though the Board is fully authorised to sell assets of the company it felt it prudent to get the approval of the shareholders also. To meet Company's liabilities of Government dues, Workmen, Secured Creditors and Others the Board of Directors feel to sell the assets of the Company subject to the permission of Secured Creditors and others as may be necessary. Hence the proposed resolution is recommended for your approval.

None of the Directors is interested in the Resolution.

Registered Office :

Madanganj-Kishangarh

(Rajasthan) 305 801

Dated : 29th Sept, 2000

By Order of the Board

N. C. PATNI

Manager (Finance)

Aditya Mills Limited

DIRECTORS' REPORT

TO THE MEMBERS,

The Directors present their Report and Audited Statement of Accounts of the Company for the year ended 31st March, 2000.

FINANCIAL RESULTS

The financial results of the operation for the year are given below :

	1999-2000	(Rs.in lacs) 1998-99
Deficit for the year	23.95	27.27
Add/(Less) :		
(a) Deficit balance brought forward from previous year	1829.32	1806.91
(b) Prior period adjustment	3.37	(4.86)
Deficit carried to next year	<u>1856.64</u>	<u>1829.32</u>

The notes referred to by the Auditors in their Report being self-explanatory require no further explanation.

No provision has been made for interest debited by bank and financial institutions in the current year also.

The Company has been in negotiation with both its bankers and financial institutions separately for One Time Settlement of their dues. This is possible only from sale of assets. Several sittings have taken place and the proposal lying with both is similar to the one the company had submitted before BIFR. This is being repeated by the company in all meetings. Their consent is still awaited.

No employees of the company has drawn salary in excess of Rs. 50,000.00 per month. Hence particulars of employees as required U/S 217(2A) of the companies Act, 1956 has not been given.

Shri A.K. Kanoria retires at the ensuing Annual General Meeting and being eligible offers himself for re-election.

M/s G. P. Kejriwal & Co., Chartered Accountants, Jaipur, retire as Auditors of the Company but being eligible offer themselves for reappointment.

Information as per Section 217(1) (e) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, regarding Conservation of Energy, Technology, Absorption and Foreign Exchange Earnings and Outgo, are not given as plants of the company remained shut for whole year.

Place : **MUMBAI**
Dated : 29th Sept, 2000

On behalf of the Board
A. K. KANORIA
Chairman

Aditya Mills Limited**AUDITOR'S REPORT**

To,

The Members of Aditya Mills Limited

We have Audited the attached Balance Sheet of ADITYA MILLS LIMITED as at 31st March, 2000 and also the Profit & Loss Account of the company for the year ended on that date, annexed thereto and report that :

1. Pending writ proceeding in Rajasthan High Court, Jaipur Bench as referred under clause 1 in schedule 23, the accounts have been prepared on the basis that the company is a going concern. In case the company can not continue as a going concern the value of assets and liabilities as shown in Balance Sheet may change materially and adversely, the impact of which is not presently ascertainable.
2. As required by the Manufacturing and other companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks of the books and records of the company as we considered appropriate and according to the informations and explanations given to us, we enclose in the Annexure a Statement on the matters specified in paragraph 4 & 5 of the said order.
3. Further to our comments in the Annexure referred to paragraph (1) and (2) above.
 - a. 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.
 - b. In our opinion proper books of account subject to notes 5 to 8 and 11 in schedule 23 as required by Law have been kept by the company so far as appears from our examination of the books.
 - c. The Balance Sheet and the Profit & Loss accounts dealt with by this report are in agreement with books of account.
 - d. In our Opinion the profit & loss account and Balance Sheet, subject to notes 5 to 8 and 11 in schedule 23 comply with the accounting standards referred to in subsection (3C) of section 211 of the Companies Act, 1956.
 - e. In our opinion and to the best of our information and according to the explanation given to us, the said accounts, subject to notes 2 to 8, 11 and 13 in schedule 23 read together with other notes thereon and attached thereto, give the information required by the Companies Act, 1956 in the manner so required.
 - (i) In the case of the Balance Sheet, of the affairs of the company as at 31st March, 2000 and
 - (ii) In the case of the Profit & Loss Account, of the Loss for the year ended on that date.

Jaipuria Mansion
M. I. Road
JAIPUR
Dated : 29th Sept, 2000

Chandra Prakash Jain
Partner
For and on behalf of
G. P. KEJRIWAL & Co.
Chartered Accountants

Aditya Mills Limited

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in Paragraph (2) of our Report of even date for the year ended 31st March, 2000)

- (i) On account of suspension of operations of both Textile and Steel Divisions, details and situations of assets are not updated. The company has not verified the fixed assets physically at the year end and hence unserviceable or damaged fixed assets have not ascertained.
- (ii) None of the fixed assets have been revalued during the year.
- (iii) The stocks of finished goods, stock in process, stores and spare parts and raw materials could not be physically verified by the Management.
- (iv) Finished goods have been valued at Market value and yarn in process have been valued at estimated realisable value. Stock of stores and spare parts have been valued by deducting consumption, sales and purchase return from opening stock plus purchases instead of "lower of cost and net realisable value" as prescribed with the Revised Accounting Standard (AS-2) issued by the Institute of Chartered Accountants of India. Also refer Note 2 (iii) and 8 in Schedule 23 and note (a) in schedule 7.

Except as aforesaid, the valuation of stocks is in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
- (v) According to the information & explanations given to us, the company has taken loans from the Managing Directors of the company and from parties listed in the register maintained u/s 301 of the Companies Act. The rate of interest and the terms on which these loans have been taken are not prima facie prejudicial to the interest of the company. We have been informed that there are no companies under the same management within the meaning of section 370(1) (B) of the Companies Act, 1956.
- (vi) The Company has not granted any loans, secured or unsecured to Companies, Firms and other parties listed in the register maintained under section 301 and/or to the companies under the same management as defined under sub-section (1B) of the section 370 of the Companies Act, 1956.
- (vii) The loans or advances in the nature of loans given by the Company and advances given to employees who are repaying as stipulated wherever stipulations made and/or rescheduled except employees who are not on duty and/or left the company.
- (viii) There is no purchases of stores, rawmaterial, fixed assets and other assets during the year. The internal control procedure need strengthen with regard to sale of goods/assets.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not purchased goods and material and sold goods, materials and services aggregating Rs. 50,000 or more in value from/to any of the parties listed in the register maintained under Section 301 of the Companies Act, 1956.