

Aditya Mills Limited

**50th
ANNUAL REPORT
2010-2011**

ANNUAL REPORT

YEAR ENDED MARCH 31, 2011

BOARD OF DIRECTORS

Shri A. K. Kanoria
(Chairman)

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

Shri Bimal Kumar Jhunjunwala

Shri M.D. Vora

Smt. Hansa Singh
(Nominee : Govt. of Rajasthan)

CONTENTS

Notice	1
Report of the Directors	3
Auditors' Report	10
Balance Sheet	16
Profit & Loss Account	17

AUDITORS

G. P. Kejriwal & Co., Jaipur

REGISTERED OFFICE

Madanganj-Kishangarh 305 801
(Rajasthan)

Aditya Mills Limited

NOTICE

TO THE SHAREHOLDERS

NOTICE is hereby given that the 51st Annual General Meeting of the members of ADITYA MILLS LIMITED will be held at its Registered Office at **Madanganj-Kishangarh (Rajasthan)** on Thursday, the 29th day of September, 2011 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, 2011 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 a Director in place of Shri M. D. Vora, who retires 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 re-appointed 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 remuneration to be fixed by the Board of Directors plus reimbursement of travelling and other incidental expenses incurred in connection with audit."

Registered Office:
Madanganj-Kishangarh
(Rajasthan) 305 801

Dated: 18th July, 2011

By Order of the Board

(N.C. Patni)
Constituted Attorney

Aditya Mills Limited

Notes:

1. 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. The instrument appointing the proxy should be deposited at the Registered Office of the company not less than 48 hours before the commencement of the meeting.
2. The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item No.3, is annexed hereto.
3. For sake of convenience, the shareholders are requested to bring their own copy of accounts when attending this meeting.

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, re-appointment of M/s G.P. Kejriwal & Company as Auditors of the Company has to be made by a Special Resolution as required Under Section 224 A of the Companies Act, 1956. Accordingly, the Board recommend the resolution for your approval.

None of the directors is concerned or interested in the said resolution.

Registered Office:
Madanganj-Kishangarh
(Rajasthan) 305 801

By Order of the Board

(N.C. Patni)
Constituted Attorney

Dated: 18th July, 2011

Aditya Mills Limited

DIRECTORS' REPORT

TO THE MEMBERS,

The Directors of your company hereby present the Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS

The financial results of the year are given below:

	(Rs. in lacs)	
	<u>2010-2011</u>	<u>2009-2010</u>
Loss for the year before tax	20.26	4.24
(Less) : Provision for Taxation	<u>(4.29)</u>	<u>(4.04)</u>
Loss for the year	15.97	0.20
Add :		
(a) Deficit balance brought forward from previous year	1567.16	1566.96
Deficit carried to next year	<u>1583.13</u>	<u>1567.16</u>

Dividend :

Directors regret their inability to recommend any dividend.

Auditors Report :

Most of the notes referred to by the Auditors in their Report, being self-explanatory and/or suitably explained/clarified in the notes to Accounts, require no further explanation.

The company has already complied with the Accounting Standards prescribed by the Institute of Chartered Accountants of India and is constantly endeavouring to ensure adherence to the same and their norms as may be prescribed from time to time.

As informed in the previous year, the Company had already cleared all dues of secured creditors and almost all statutory dues. The company is hopeful of paying off unsecured creditors in the future as well.

Regarding valuation of stock-in-trade, it was already informed in past that the land in question was converted into stock-in-trade in the financial year 2001-02 when the company commenced Real Estate Business. The company has consistently sold this land at a higher prices than this book value, thereby facilitating its revival.

Additya Mills Limited

Business Activities :

The company could not register any sales in the year under review due to legal wrangles that prevented sale of its land. Unfortunately progress of cases pending in courts of law is excruciatingly slow. Once permission for sale is received, the company would attempt to enhance the value of its land by appropriately developing it. This exercise is expected to be profitable. The company is also exploring possibilities of setting up a new industrial venture.

Compliance Certificate

The Company has obtained a compliance certificate for the financial year ending 31st March, 2011 from a Practicing Company Secretary as required pursuant to Section 383 A of the Companies Act, 1956 and the same is annexed with this report.

Directors' Responsibility Statement

As required under section 217 (2AA) of the Companies Act, 1956, the Board of Directors of the company hereby state and confirm:

- (i) that in the preparation of the Annual Accounts for the Financial Year ended 31st March, 2011, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for the year under review;
- (iii) that 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; and
- (iv) that the Directors have prepared the Annual Accounts for the Financial Year ended 31st March, 2011 on a 'going concern' basis.

Personnel :

Since no employee of the Company has drawn salary in excess of Rs.60,00,000.00 per annum or Rs.5,00,000.00 per month, particulars of employees as required u/s 217(2A) of the Companies Act, 1956 have not been given.

Aditya Mills Limited

Auditors :

M/s G.P. Kejriwal & Company, Chartered Accountants, Jaipur retire at the conclusion of the ensuing AGM and are eligible for re-appointment and they have indicated their willingness to act as such under section 224 (1)(B) of the Companies Act, 1956.

Directors :

Shri M. D.Vora a Director of the company is retiring by rotation and being eligible, offers himself for re-appointment.

Approval from Central Government regarding re-appointment of Shri D. Kanoria as Vice Chairman & Managing Director w.e.f. 27th March, 2011 is under consideration.

Conservation of Energy, Technology Absorption, Foreign Exchange:

The company has been advised that the disclosure of particulars under Section 217(1) (e) read with rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, relating to Conservation of Energy, etc. is not applicable. Particulars relating to Technology / Absorption, etc. have not been furnished as the company has neither undertaken any Research & Development activities in the field of Real Estate nor imported any technology. Therefore the particulars regarding foreign exchange earnings and outgo are Nil.

Place: Mumbai
Dated: 18th July, 2011

On behalf of the Board
A.K. Kanoria
Chairman

Aditya Mills Limited

MANAGEMENT DISCUSSION AND ANALYSIS

The management of Aditya Mills Limited is pleased to present its report on Management Discussions and Analysis. This report contains expectations of the Company's business based on the current market environment.

Business Structure and Developments:

During the year under review your company has not purchased any land nor developed or sold any land mainly on account of there being continuous restriction on sale of its land. However, the company is trying to resolve the matter shortly.

Opportunities & Threats, Outlook, Risks and Concerns:

Customers in the real estate industry in India are today spoilt for choice as realtors are offering a plethora of options. During the year under review the Real Estate market has remained steady. Buyers are looking for attractive bargains as many real estate companies are liquidating inventories to ease their cash flows. However, the outlook for the industry is cautiously optimistic.

Segment-wise Performance:

The Company's current business activity has only one primary reportable segment, namely Real Estate.

Internal Control System and Adequacy:

The Company has adequate internal controls commensurate with the size and nature of its business.

Human Resources:

Harmonious relations continued to prevail throughout the year among company's personnel and other stake holders.

Cautionary Statement:

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable security laws and regulations. Actual results could differ materially from those expressed or implied. Important factor that could make a difference to the Company's operations include economic conditions affecting demand and supply and price condition in which the company conducts business and other incidental factors.

Aditya Mills Limited

COMPLIANCE CERTIFICATE

FORM

(SEE RULE - 3)

COMPANIES (COMPLIANCE CERTIFICATE) RULES, 2001

CIN of the Company	:	L17111RJ1960PLC001171
Nominal Capital	:	Rs. 280,00,000.00
Paid-Up Capital	:	Rs. 152,23,179.00

To,
The Members
ADITYA MILLS LIMITED
MADANGANJ-KISHANGARH.

We have examined the registers, records, books and papers of ADITYA MILLS LIMITED (the company), as required to be maintained under the Companies Act, 1956 (the Act), and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2011 (financial year). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

01. The company has kept and maintained all registers as stated in ANNEXURE 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been recorded.
02. The company has filed the forms and returns as stated in ANNEXURE 'B' to this certificate, with the Registrar of Companies and Central Government during the financial year.
03. The Company, being a public limited company, has the paid-up capital Rs.152,23,179.00 and on number of member's comment is not required.
04. The Board of Directors duly met 5 times respectively on 05.06.2010, 07.06.2010, 30.09.2010, 31.12.2010 and 31.03.2011 in respect of which meetings proper notices were given and the proceeding were properly recorded and signed in the Minutes Book maintained for the purpose.
05. The company has not closed its Register of Members during the financial year.
06. The Annual General Meeting for the financial year ended on 31st March 2010 was held on 10.07.2010 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
07. No extra ordinary general meeting was held during the financial year
08. The company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act during the financial year.
09. The company has not entered into any contracts specified under section 297 of the Act.
10. The company has made necessary entries in the register maintained under section 301 of The Act.
11. The company has obtained necessary approvals from the members in respect of relative of Directors appointed as Vice Chairman Cum Managing Director (Subject to approval of the Central Government). The approval of the Central Government is under process.
12. The company has not issued any duplicate share certificates during the financial year.
13. The company :
 - i) has not made any allotment and delivered all the certificate on lodgment thereof for transfer/ transmission of securities in accordance with the provisions of the Act;
 - ii) is not required to deposit any amount in a separate Bank Account as no dividend was declared during the financial year;

Aditya Mills Limited

- iii) is not required to post warrants to any member of the company as no dividend was declared during the financial year;
 - iv) has duly complied with the provision of section 217 of the Act.
14. The Board of Directors of the company is duly constituted and retire by rotation of directors has duly been made. Further the regularisation of additional director as director has been duly made.
 15. The re-appointment of Vice Chairman cum Managing Director has been made during the year, subject to approval of the Central Government. required to obtain in respect of appointment of Shri D. Kanoria, the approval of Central Government is under process.
 16. The company has not appointed any sole selling agents during the financial year.
 17. The company has moved an application under section 269 and other applicable provisions of the Act, with the Central Government, regarding re-appointment and remuneration of Shri D. Kanoria, appointed as Vice Chairman Cum Managing Director. The approval of Central Government is under process.
 18. The directors, *except nominee director*, have disclosed their interest in other firms/companies, to the Board of Directors pursuant to the provisions of the Act and rules made thereunder.
 19. The company has not issued any shares/debentures/other securities during the financial year.
 20. The company has not bought back any shares during the financial year.
 21. *The company has not yet redeemed preference shares due for redemption from 11.06.2000.*
 22. There were no transactions necessitating the company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares. *However the cumulative dividend on Preference Shares of Rs. 45.12 Lacs were also due as on 11.06.2000.*
 23. The company has not invited / accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
 24. The amount borrowed by the company from company during the financial year ending on 31st March 2011 is within the borrowing limits of the company .
 25. The company not has made any loans and investments, or given guarantees or provided the securities to other bodies corporate during the year ended on 31.03.2011.
 26. The company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
 27. The company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny.
 28. The company has not altered the provisions of the Memorandum with respect to name of the company during the year under scrutiny.
 29. The company has not altered the provisions of the Memorandum with respect to share capital of the company during the year under scrutiny.
 30. The company has not altered its Articles of Association during the financial year.
 31. We have informed by the Company that there was no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
 32. The company has not received any money as security from its employees during the financial year.
 33. The company has regularly deposited contribution to Provident Fund with the prescribed authorities.