

Aditya Mills Limited

**51st
ANNUAL REPORT
2011-2012**

ANNUAL REPORT

YEAR ENDED MARCH 31, 2012

BOARD OF DIRECTORS

Shri A. K. Kanoria

(Chairman and Whole Time Director)

Shri D. Kanoria

(Vice-Chairman and Managing Director)

Shri Bimal Kumar Jhunjhunwala

Shri M.D. Vora

Smt. Hansa Singh

(Nominee : Govt. of Rajasthan)

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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 52nd 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 day of July, 2012 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, 2012 and Statement of Profit and Loss 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 Bimal Kumar Jhunjunwala, who retires by rotation, and being eligible, offers him self 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 224A 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 to 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."

As Special Business

4. To consider and if thought fit, to pass the following Resolution, with or without modification(s) as Special Resolution.

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311, 314 and other applicable provisions, if any, read with Schedule XIII to the Companies Act, 1956 and subject to such approvals, consents, permissions and sanctions of the Central Government and all other appropriate authorities, institutions or bodies and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, consents, permissions and sanctions which the Board of Directors of the Company (hereinafter referred to as 'the Board' which expression shall be deemed to include "Remuneration Committee" constituted by the Board to exercise its powers including the powers conferred by this resolution) is hereby authorised to accept and in terms of the resolution passed by the Remuneration Committee, the consent and approval of the Company be and is hereby accorded for re-appointment and payment of lumpsum remuneration in the scale of Rs. 50,000- 6,250 - 75,000/- per month to Shri A. K. Kanoria, Chairman & Whole Time Director of the Company for a period of 5 years with effect from 01st April, 2012.

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"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Shri N. C. Patni, Constituted Attorney of the Company be and is hereby authorised on behalf of the Board to do all such acts, deeds, things, matters and to execute and sign such documents, papers, undertaking, deeds, declaration, application in specified form to the Central Government and to take all such steps as may be deemed necessary or desirable or to settle any question or difficulty that may arise including authority to amend, vary, modify the same as may be considered desirable or expedient by the Central Government or any such authority."

"RESOLVED FURTHER THAT Shri N. C. Patni, Constituted Attorney of the Company be and is hereby authorised to delegate all or any of the powers herein conferred in such manner as he may deem fit including appointment of M/s. R. Chouhan & Associates, Company Secretaries, Jaipur in the matter."

Registered Office
Madanganj - Kishangarh.
(Rajasthan) 305 801
Dated : 27th June, 2012

By Order of the Board

(N. C. Patni)
Constituted Attorney

Notes:

1. A member entitled to attend and vote in the 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.
2. The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item No. 3 and 4 are 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 approval.

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

ITEM NO. 4

Shri A. K. Kanoria is associated as Director with the Company since 1968. He was appointed as Chairman & Whole Time Director of the Company for a period of 5 (five) years w.e.f. 01.04.2007 with the approval of Central Government dated 20th February, 2008. The term as Chairman and Whole time Director expired on 31.03.2012.

Aditya Mills Limited

He is Bachelor of Arts (B.A.). He was directly associated in the corporate restructuring and compromise with the financial institutions and banks and management of the company for over 20 years. Moreover, Shri A. K. Kanoria has taken necessary steps to explore the opportunities in real estate development by sub-dividing the land of the company and selling the same as small, individual plots which enabled the company to fetch a higher realisation. Under the able leadership of Shri A.K. Kanoria, the company has achieved a lot.

Keeping in view the aforesaid facts and role of Shri A. K. Kanoria, in the overall performance of the Company, the Board of Directors at its meeting has subject to approval of the shareholders and such other approvals, consented for re-appointment and payment of remuneration as approved by the Remuneration Committee.

The remuneration committee at its meeting has approved his re-appointment and payment of lumpsum remuneration in the scale of Rs. 50,000 – 6,250 - 75,000/- per month for 5 years with effect from 01st April 2012, subject to the approval of Board of Directors, Shareholders and such other authority. The Board of Directors in their meetings held on 31st March, 2012, re-appointed him as Chairman and Whole Time Director for a further period of Five Years with remuneration in the scale of Rs. 50,000 – 6,250 – 75,000/- per month w.e.f. 01st April 2012. The terms of remuneration specified above is now placed before the shareholders for their approval which is required for his re-appointment and payment of remuneration.

The Board of Directors commends the resolution for approval of the shareholders.

None of the Directors of the Company other than Shri A. K. Kanoria, Chairman and Whole Time Director and D. Kanoria, Vice Chairman and Managing Director is concerned or interested in the passing of aforesaid resolution.

The notice read with the Explanatory Statement may be treated as an abstract of the terms of payment of remuneration to Shri A. K. Kanoria as required to be circulated under section 302 of the Companies Act, 1956.

Registered Office
Madanganj - Kishangarh.
(Rajasthan) 305 801
Dated : 27th June, 2012

By Order of the Board

(N. C. Patni)
Constituted Attorney

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, 2012.

FINANCIAL RESULTS

The financial results for the year are given below:

		(Rs. in lacs)
	2011-2012	2010-2011
Loss for the year before tax	18.16	20.26
(Less)/Add: Provision for Taxation	(5.02)	(4.29)
Loss for the year	13.14	15.97
Add:		
Extra Ordinary Item :		
Arrear of Dividend On 15000 Cumulative Redeemable Preference Shares (Third Series)	17.23	0.00
	<u>30.37</u>	<u>15.97</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 the past that the land in question was converted into stock-in-trade in the financial year 2001-2002 when the company commenced Real Estate Business. The company has consistently sold this land at a higher price than this book value, thereby facilitating its revival.

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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, 2012 from a Practising Company Secretary as required pursuant to Section 383A 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, 2012, 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, 2012 on a 'going concern' basis.

Personnel

Since no employee of the Company has drawn salary in excess of Rs. 60,00,000 per annum or Rs. 5,00,000 per month, particulars of employees as required u/s 217(2A) of the Companies Act, 1956 have not been given.

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 B.K. Jhunjunwala, a Director of the company is retiring by rotation and being eligible, offers himself for re-appointment.

Aditya Mills Limited

The term of appointment of Shri A. K. Kanoria as Chairman and Whole Time Director granted by the Central Government expired on 31st March, 2012. For sake of continuity of present management and for efficient running of the company, The Board of Directors have already approved his re-appointment as Chairman and Whole Time Director for a further term of five years w.e.f. 01.04.2012 on a remuneration of Rs. 50,000/- per month with an annual increment of Rs. 6,250/- per month, subject to shareholders' and Central Government's approval.

Central Government approved reappointment of Shri D. Kanoria as Vice Chairman & Managing Director w.e.f. 27th March, 2011 vide letter dated 2nd November, 2011.

Conservation of Energy, Technology Absorption, Foreign Exchange:

The company has been advised that 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. has 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: 27th June, 2012

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 Discussion 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 purchased some residential land and some development work has been initiated on the agricultural land at Bandersindri. Now the company, jointly with other entities, owns a large contiguous plot of land here. There was no sale of land mainly on account of there being continuous restriction on sale on some of its land holdings. 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 range bound. 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:

Statement in the Management Discussion and Analysis describing the Company's objective, projections, estimates, expectations or predictions maybe "forward looking statements" within the meaning of applicable security laws and regulations. Actual results could differ materially from those expressed or implied. Important factors 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.

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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, 2012 (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 afore-said financial year:

1. 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.
2. 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.
3. 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.
4. The Board of Directors duly met 05 times respectively on 20.06.2011, 15.07.2011, 18.07.2011, 15.10.2011 and 31.03.2012 in respect of which meeting proper notices were given and the proceeding were properly recorded and signed in the Minutes Books maintained for the purpose.
5. The company has not closed its Register of Members during the financial year.
6. The Annual General Meeting for the financial year ended on 31st March 2011 was held on 29.09.2011 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.
7. No extra ordinary general meeting was held during the financial year
8. 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.
9. 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 Board, members and approval of the Central Government pursuant to section 314 of the Act wherever applicable.*
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 certificates 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;
 - 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.