

Aditya Mills Limited

**52nd
ANNUAL REPORT
2012-2013**

ANNUAL REPORT

YEAR ENDED MARCH 31, 2013

BOARD OF DIRECTORS

Shri A. K. Kanoria

(Chairman and Whole Time Director)

Shri D. Kanoria

(Vice-Chairman and Managing Director)

Shri Bimal Kumar Jhunjunwala

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 53rd Annual General Meeting of the members of ADITYA MILLS LIMITED will be held at its Registered Office at Madanganj-Kishangarh (Rajasthan) on Monday, the 1st day of July, 2013 at 04.45 P.M. to transact the following business:

As Ordinary Business:

1. To consider and adopt the audited Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and Cash Flow Statement 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 him self for re-appointment.
3. To appoint Auditors and to fix their remuneration.

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 provisions of Section 31 of the Companies Act, 1956 that Article 118 of the Articles of Association be altered so as to increase sitting fees payable to Directors for attending meetings of Board and their committees from Rs. 500/- to Rs. 10,000/- for every such meeting."

"FURTHER RESOLVED that alteration be carried out as under:-

In the 4th line in Article 118 words and figures after words 'exceeding' and before 'for every meeting' Rs. 10,000/- shall be substituted from Rs. 500/-."

5. 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, 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

Aditya Mills Limited

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 the payment of remuneration in the scale of Rs. 68,750 - 6,250 - 75,000/- per month plus perquisites and allowances to Shri D. Kanoria, Managing Director of the Company for a period of 2 years with effect from 27th March, 2014 to 26th March, 2016, as the appointment for a term of 5 year w.e.f 27.03.2011 to 26.03.2016 and remuneration for a term of 3 years w.e.f. 27.03.2011 to 26.03.2014 already sanctioned by the Central Government vide approval dated 2nd November, 2011."

"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."

6. 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, 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 to revise the payment of remuneration in the scale of Rs. 56,250 - 6,250 - 75,000/- per month plus perquisites and allowances to Shri A. K. Kanoria, Chairman & Whole Time Director of the Company for a period of 4 years with effect from 01st April, 2013."

"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

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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: 6th May, 2013

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. 4 to 6 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. 4

As per revised provision for sitting fee to Board of Directors of a company vide dated 25.07.2003 Central Government's allowing, enhancement of sitting fee payable to Directors for attending meetings of the Board and its committees to the extent of Rs. 10,000/- per board and its committee meeting, if the paid-up capital and free reserves are less than Rs. 10.00 Crores or the turnover is less than Rs. 50.00 Crores. However, at present limit specified under Article 118 of Articles of Association of the Company is Rs. 500/-. Now your Board of Directors after consideration has proposed to enhance such sitting fee of directors to Rs. 10,000. It would therefore be necessary to first alter article 118 of Articles of Association by replacing from Rs. 500.00 to Rs. 10,000. Such alteration in the Articles of Association of the Company is to be carried out by Special Resolution of the shareholders and hence the same is submitted for your approval.

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Some of the Directors are interested in the resolution to the extent of increased sitting fee payable to them.

ITEM NO. 5

The present terms of appointment of Shri Devapriya Kanoria, Managing Director was approved by Central Government vide letter dated 02.11.2011 reappointing him as Managing Director for the period from 27th March, 2011 to 26th March, 2016, but remuneration was approved only upto 26th March, 2014. The remuneration committee at its meeting has approved his remuneration in the scale of Rs. 68,750 – 6,250 - 75,000/- per month plus perquisites and allowances as per norms of the company for next two years with effect from 27th March, 2014, subject to the approval of Board of Directors, Shareholders and such other authority. The Board of Directors in their meetings held on 4th May, 2013 has approved his remuneration for a further period of two years as stated above Further, for your reference, remuneration and perquisites proposed to be paid to Shri Devapriya Kanoria as a Managing Director is as under, subject to ceiling of Rs. 1,50,000.00 (Rs. One lac fifty thousand only) per month:-

- (a) Salary Rs. 68,750/- (Rs. Sixty eight thousand seven hundred fifty only) per month in the scale of 68,750 – 6,250 – 75,000.
- (b) Perquisites: The perquisites in Category A as under, will be restricted to an amount equivalent to Rs. 9,00,000 per annum.

Category – A

- (i) **Housing: Rent** –Free furnished residential accommodation, the monetary value of which will be evaluated as per Rule 3 of the Income Tax Rules, 1962, or in case he is occupying premises of his own, then reimbursement to him of a sum which shall be calculated as fair and reasonable rental of such premises or if he is occupying rented premises then reimbursement of the actual rent, taxes, repairs, maintenance etc. paid by him in respect of the said premises as and by way of special allowance with the intention that in either case he will be entitled to all amenities such as gas, electricity, water, air-conditioners, geysers and refrigerators and in case he is using his own furniture, air-conditioners, geysers and refrigerators, then he will be paid a fair and reasonable sum, as and by way of rent, for the use thereof at the cost of the company. The monetary value may be evaluated as per Rule 3 of the Income Tax Rules, 1962.

The above is subject to the following:

- (a) The expenditure incurred by the company on hiring accommodation for him will be subject to ceiling of 60% of salary over and above 10% payable by him.
- (b) Wherever the company does not provide accommodation, House Rent Allowance shall be paid in accordance with (a) above.
- (c) The expenditure incurred by the company on gas, electricity, water and furnishing will be

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evaluated as per the Income-tax Rules, 1962. This will, however, be subject to ceiling of 10% of the salary paid/payable to him.

- (ii) Medical benefits including Mediclaim Insurance for self and family: Reimbursement of expenses actually incurred, the total cost of which to the company shall not exceed one month's salary in any year or two month's salary over a period of two years.
- (iii) **Club Fees:** Payment of club fees actually incurred.
- (iv) **Personal Accident Insurance:** Payment of Personal Accident Insurance on actual basis.
- (v) **Encashment of Earned Leave:** Payment of earned leave at the year end as per rules of the company.
- (vi) **Payment of Bonus/Ex-gratia:** Payment of Bonus/Exgratia as per rules of the company.

Category – B

- (vii) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961. Gratuity payable should not exceed half a month's salary of each completed year of service.
- (viii) **Leave Travel Concession:** Return passage for self and family in accordance with the rules specified by the company where it is proposed that the leave be spent in home country.

Category – C

- (ix) Free use of company's car with driver for the business of the company. Use of car for private purpose shall be billed by the company.
- (x) Free telephone facility at residence. All personal long distance calls shall be billed by the company. He is also being entitled to reimbursement of expenses actually and properly incurred by him for business of the company.

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 Shri D. Kanoria, Vice Chairman and Managing Director is concerned or interested in the passing of the aforesaid resolutions.

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ITEM NO. 6

The present terms of appointment of Shri Ashwini Kumar Kanoria, Chairman and Whole Time Director were approved by shareholders for a period of 5 years w.e.f. 1st April, 2012 at the scale of Rs. 50000 – 6250 – 75,000 in lump sum and approval of Central Government is awaited. Now Remuneration Committee has recommended payment of remuneration plus perquisites and allowances as under subject to approval of Board of Directors, shareholders and other required authorities The Board of Directors in their meeting held on 4th May, 2013 approved his revised remuneration for a further period of four years w.e.f. 1st April, 2013.

The terms of remuneration specified above are now placed before the shareholders for their approval, which is required for his payment of remuneration. The remuneration proposed to be paid to Shri Ashwini Kumar Kanoria as a Whole Time Director is as under, subject to ceiling of Rs. 1,50,000 (Rs. One lac fifty thousand only) per month:-

- (a) Salary Rs. 56,250/- (Rs. Fifty six thousand two hundred fifty only) per month in the scale of 56,250 – 6,250 – 75,000.
- (b) Perquisites: The perquisites in Category A as under, will be restricted to an amount equivalent to Rs. 9,00,000 per annum.

Category – A

- (i) **Housing Rent** –Free furnished residential accommodation, the monetary value of which will be evaluated as per Rule 3 of the Income Tax Rules, 1962, or in case he is occupying premises of his own, then reimbursement to him of a sum which shall be calculated as fair and reasonable rental of such premises or if he is occupying rented premises then reimbursement of the actual rent, taxes, repairs, maintenance etc. paid by him in respect of the said premises as and by way of special allowance with the intention that in either case he will be entitled to all amenities such as gas, electricity, water, air-conditioners, geysers and refrigerators and in case he is using his own furniture, air-conditioners, geysers and refrigerators, then he will be paid a fair and reasonable sum, as and by way of rent, for the use thereof at the cost of the company. The monetary value may be evaluated as per Rule 3 of the Income Tax Rules, 1962.

The above is subject to the following:

- (a) The expenditure incurred by the company on hiring accommodation for him will be subject to ceiling of 60% of his salary, over and above 10% payable by him.
- (b) Wherever the company does not provide accommodation, House Rent Allowance shall be paid in accordance with (a) above.
- (c) The expenditure incurred by the company on gas, electricity, water and furnishing will be evaluated as per the Income-tax Rules, 1962. This will, however, be subject to ceiling of 10% of the salary paid/payable to him.

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- (ii) Medical benefits including Medclaim Insurance for self and family: Reimbursement of expenses actually incurred the total cost of which to the company shall not exceed one month's salary in any year or four month's salary over a period of four years.
- (iii) **Club Fees:** Payment of club fees actually incurred.
- (iv) **Personal Accident Insurance:** Payment of Personal Accident Insurance on actual basis.
- (v) **Encashment of Earned Leave:** Payment of earned leave at the year end as per rules of the company.
- (vi) **Payment of Bonus/Ex-gratia:** Payment of Bonus/Exgratia as per rules of the company.

Category – B

- (i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961. Gratuity payable should not exceed half a month's salary of each completed year of service.
- (ii) Leave Travel Concession: Return passage for self and family in accordance with the rules specified by the company where it is proposed that the leave be spent in home country.

Category – C

- (i) Free use of company's car with driver for the business of the company. Use of car for private purpose shall be billed by the company.
- (ii) Free telephone facility at residence. All personal long distance calls shall be billed by the company. He is also being entitled to reimbursement of expenses actually and properly incurred by him for the business of the company.

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 Shri D. Kanoria, Vice Chairman and Managing Director is concerned or interested in the passing of aforesaid resolutions.

Registered Office
Madanganj - Kishangarh
(Rajasthan) 305 801
Dated: 6th May, 2013

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, 2013.

FINANCIAL RESULTS

The financial results for the year are given below:

	2012-2013	(Rs. in lacs) 2011-2012
Profit/(Loss) for the year before tax	61.23	(18.16)
Less: Provision for Taxation		
Income Tax	11.70	0.00
Deferred Tax	<u>(12.01)</u> (0.31)	<u>(5.02)</u> (5.02)
Profit/(Loss) for the year	61.54	(13.14)
Less: Extra Ordinary Item:		
Arrear of Dividend on 15000		
Cumulative Redeemable		
Preference Shares (Third Series)	<u>0.00</u>	<u>17.23</u>
	61.54	(30.37)

Dividend:

Directors regret their inability to recommend any dividend.

Auditors Report:

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.

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.

Business Activities:

The company sold some land in the year under review consequent to the removal of stay on its sale by the courts. Due to a liquidity crunch in other local businesses, the property market