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Eleventh Annual Report

1999-2000



The Ahmedabad Advance Mills Limited

THE AHMEDABAD ADVANCE MILLS LIMITED

ELEVENTH ANNUAL REPORT 1999-2000

THE AHMEDABAD ADVANCE MILLS LIMITED
ELEVENTH ANNUAL REPORT

Board of Directors : **PRADEEP AGARWAL**
(CHAIRMAN & MANAGING DIRECTOR)
A. K. GHOSH (BIFR'S NOMINEE)
S. D. VYAS
V. S. DIDWANIA

Company Secretary-cum : **R. VIJAYKUMAR**
Manager (Finance)

Bankers : **STATE BANK OF INDIA**

Auditors : **A. F. FERGUSON & CO.**
Chartered Accountants,

Registered Office : F. P. No. 105,
Shahibaug Road,
O/s. Delhi Gate,
Ahmedabad 380 004.

Head Office and International : 67, Bajaj Bhavan,
Marketing Division Nariman Point,
Mumbai - 400 021.

NOTICE

NOTICE is hereby given that Eleventh Annual General Meeting of the Members of **The Ahmedabad Advance Mills Limited** will be held on Saturday, the 30th September, 2000 at 3.00 p.m. at Dinesh Hall, Nr. Torrent House, Off. Ashram Road, Navrangpura, Ahmedabad to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the report of the Board of Directors and Audited Balance Sheet as at 31st March, 2000 and Profit and Loss Account for the year ended on that date and Auditors' Report thereon.
2. To appoint a Director in place of Shri Pradeep Agarwal who retires by rotation and offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modification(s) the following Resolutions :

4. APPROVAL FOR SALE OF ASSETS :**ORDINARY RESOLUTION :**

"RESOLVED THAT in compliance with the provisions of Section 293(1)(a) of the Companies Act, 1956 and subject to the approvals of Assets Sale Committee, the Honourable Board for Industrial and Financial Reconstruction, Operating Agency (State Bank of India) and such other Authorities, as may be required, the consent of the Company be and is hereby accorded to the Board of Directors of the Company for sale of surplus Land, Building, Plant and Machinery of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do and execute all such acts, deeds, matters and things as may be necessary to implement the aforesaid resolution."

5. ORDINARY RESOLUTION :**APPOINTMENT OF SHRI S. D. VYAS AS WHOLETIME DIRECTOR :**

"RESOLVED THAT pursuant to the provisions of Section 269 and other applicable provisions of the Companies Act, 1956, if any and subject to the approval of the Shareholders, Shri S. D. Vyas, be and is hereby appointed as WHOLETIME DIRECTOR (TECHNICAL) retireable on rotation basis of the Company for a period 3 years commencing from the 1st April, 2000, on the remuneration and on the following terms and conditions :

- (i) Tenure of appointment
For a period of 3 years from 1.4.2000

THE AHMEDABAD ADVANCE MILLS LIMITED**ELEVENTH ANNUAL REPORT 1999-2000**

(ii) Remuneration :

Salary - Rs. 25,000/- per month (Rupees Twenty Five Thousands Only)

(iii) Perquisites :

Medical - Rs. 15,000/- per annum (Rupees Fifteen Thousands Only)

Leave - Rs. 25,000/- per annum (Rupees Twenty Five Thousands Only)

Travel

Concession

(iv) Other - Not exceeding Rs. 1,40,000/- per annum (Rupees One Lakh and Forty
Perquisites Thousands Only) on production of paid bills

FURTHER RESOLVED THAT even in the absence or inadequacy of profit, Shri S. D. Vyas shall be paid remuneration in terms of the above conditions."

6. APPOINTMENT OF SHRI V. S. DIDWANIA AS WHOLETEIME DIRECTOR :

"RESOLVED THAT pursuant to the provisions of Section 269 and other applicable provisions of the Companies Act, 1956, if any and subject to the approval of the Shareholders Shri V. S. Didwania, be and is hereby appointed as Wholetime Director retirable on rotation basis, of the Company for a period 3 years commencing from the 1st April, 2000, on the remuneration and on the following terms and conditions."

(i) Tenure of appointment

For a period of 3 years from 1.4.2000

(ii) Remuneration :

Salary - Rs. 15,000/- per month (Rupees Fifteen Thousands Only)

(iii) Perquisites :

Medical - (Rs. 15,000/- per annum (Rupees Fifteen Thousands Only)

Leave - Rs. 27,000/- per annum (Rupees Twenty Seven Thousands Only)

Travel

Concession

(iv) Other - Not exceeding Rs. 1,02,000/- per annum (Rupees One Lakh and Two
Perquisites Thousands Only) on production of paid bills.

FURTHER RESOLVED THAT even in the absence or inadequacy of profit, Shri V. S. Didwania, shall be paid remuneration in terms of the above conditions.

Date : 28th August, 2000

Place : Delhi

By order of the Board
PRADEEP AGARWAL
Managing Director

THE AHMEDABAD ADVANCE MILLS LIMITED**ELEVENTH ANNUAL REPORT 1999-2000****NOTES :**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 28.9.2000 to 30.9.2000 (Both days inclusive).
3. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business set out above is annexed thereto.
4. Any member requiring further information on Accounts at the Meeting is required to send the queries in writing so as to reach at the Registered Office of the Company at least 10 days before the meeting.
5. The Members are requested to notify change of their address and query relating to share transfer/transmission, if any to the Company at the following Registered Office address :

F.P. No. 105,
Shahibaug Road,
Outside Delhi Gate,
Ahmedabad - 380 004

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**ITEM NO. 4**

The Hon'ble Board for Industrial Finance and Reconstruction (BIFR) vide its Order dated 25th June, 2000 has permitted the Company to sell the surplus Land, Building and Plant and Machinery subject to the approval of the Assets Sale Committee constituted by the BIFR comprising of representatives of State Bank of India, Company and the Special Director appointed by the BIFR and such other Authorities as may be required. Proceeds realised out of sale of surplus assets will be utilised for paying off the Bank's dues and the workers' payments. However, approval of shareholders is required for the same. Therefore, in the interest of the Company's revival, your Directors recommend passing the Resolution as set out in Notice.

None of the Directors is interested in the Resolution.

ITEM NOS. 5 & 6

Shri S. D. Vyas and Shri V. S. Didwania have been the Directors on the Board of the Company since 1995. Shri V. S. Didwania has rich experience of various Mills. Shri S. D. Vyas is also a having experience of more than 35 years in Marketing and Management. They have been appointed as Wholetime Directors since 1st April, 2000, subject to the approval of shareholders. The Directors are of the opinion that their services will be useful in view of the plan for revival of the Unit.

Therefore, in the interest of the Company, your Directors recommend passing the Resolution as set out in Notice.

None of the Directors is interested in the Resolution.

Date : 28th August, 2000
Place : Delhi

By order of the Board
PRADEEP AGARWAL
Managing Director

THE AHMEDABAD ADVANCE MILLS LIMITED**ELEVENTH ANNUAL REPORT 1999-2000****DIRECTORS' REPORT**

To
The Members,

Your Directors are pleased to present herewith the Eleventh Annual Report and Audited Financial Statement of your Company for the year ended 31st March, 2000.

FINANCIAL RESULTS :**For the year ended****(Rs. in Lacs)**

	31.3.2000	31.3.1999
Loss before Interest,	65.83	27.92
Depreciation and Taxation		
Interest Paid	206.94	219.78
Depreciation	74.30	74.43
Provision for taxation	—	—
Loss after tax	347.07	322.13
Loss brought forward from last year	3421.81	3099.68
	3768.88	3421.81
Appropriations	—	—
Balance carried forward to	3768.88	3421.81
Balance Sheet		

DIVIDEND :

Your Directors do not recommend to declare the dividend in view of Losses carried forward.

REVIEW OF OPERATION:

As informed earlier, you are aware that our Company is a Sick Company under the purview of B.I.F.R. The hearing of B.I.F.R. took place on 22.10.99 in which detailed discussions have taken place. All concerned parties have supported the efforts of the Management to revive the Company. In this Hearing, Hon.ble B.I.F.R. have approved the V.R.S. Scheme for the workers as per TLA Agreement/Industrial Court Award dated 12.2.1997 and in addition, awarded some Interest on the dues of the workers who resigned upto 5.11.1999 in view of delay in implementation of the award. The Company has started distributing the dues of the workers as per agreement from the month of October, 1999. This has resulted in a good response for V.R.S. Scheme and employees have started submitting their resignations to the Company.

The Company has submitted fully tied up D.R.S. to B.I.F.R. and the Hearing took place on 2.5.2000 in which the VRS Scheme as approved earlier have been confirmed with little modification. These payments are to be made from the funds generated out of sales of surplus assets of the Company.

Honourable B.I.F.R. have approved the proposal of the sale of assets of the Company i.e. Surplus Plant and Machineries, Shops and the Land by Assets Sales Committee and appointed Shri A.K. Ghosh as a Special Director on the Board of the Company. Funds generated by Assets Sales are to be appropriated as per the direction of Hon.ble B.I.F.R. Because of positive developments as stated above and support of all concerned parties i.e. State Bank of India, Government of Gujarat, AEC, TLA and employees of the Company, we are confident of reviving the Company by clearing most of the liabilities of the Company and resume the operations of Spinning Unit in the middle of the year 2001 with upgradation / renovation of Plant and Machinery of the Company. The management of the Company is confident of turning around the Company within 2/3 years and will make their all sincere efforts for the same. This will be a good sign for the future of the Company and serve the interest of the Shareholders of the Company.