



ARUNODAY MILLS LTD.

51st

ANNUAL REPORT

2013-14

ARUNODAY MILLS LIMITED

BOARD OF DIRECTORS : **Shri Kantilal K. Sheth**
(Chairman and Managing Director)

Shri Mahendra S. Shah

Shri Vamanray M. Mehta
(G. S. F. C. Nominee)

AUDITORS : **M/s. J. C. Mistry**
Chartered Accountants

REGISTRAR & SHARE : **Bigshare Services Pvt. Ltd. ,**
TRANSFER AGENTS **E-2/3, Ansa Industrial Estate,**
Sakivihar Road,
Saki Naka, Andheri (East),
Mumbai - 400 072

REGISTERED OFFICE : **'JYOT'**
Kanta Stree Vikas Grah Road,
Bhakti Nagar,
Rajkot - 360 002

ADMINISTRATIVE OFFICE : **Room No. 4/5, 3rd Floor,**
Malhotra House,
Opp. G. P. O.,
Walchand Hirachand Marg,
Fort, Mumbai - 400 001

E-mail Id : info@arunodaymills.in
Website Id : www.arunodaymills.in

ARUNODAY MILLS LTD.

Reg. Office : 'Jyot', Kanta Stree Vikas Grah Road, Bhakti Nagar, Rajkot - 360 002

www.arunodaymills.in E-mail : info@arunodaymills.in

CIN : L17110GJ1962PLC001160

NOTICE OF MEETING

NOTICE is hereby given that the **51st** Annual General Meeting of the Members of **ARUNODAY MILLS LIMITED** will be held at the Registered Office of the Company situate at 'JYOT', Kanta Stree Vikas Grah Road, Bhakti Nagar, Rajkot-360002, on Friday the 4th July, 2014 at 3.30 p.m. to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and Profit & Loss Account for the year ended on that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Mahendra S. Shah who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION**.

“RESOLVED THAT, pursuant to Section 224A of the Companies Act, 1956, M/s. J. C. Mistry, Chartered Accountants, (Registration No. 041971) 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 on such remuneration as agreed upon by the Board of Directors.”

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 A PROXY NEED NOT BE A MEMBER.
2. Proxy Form must be lodged with the Company not less than forty-eight hours before the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 1st July, 2014 to 4th July, 2014 (both days inclusive) for the purpose of Annual General Meeting.
4. The information pertaining to the Directors to be provided in terms of Clause 49 of the Listing Agreement with the Stock Exchanges are furnished in the statement on 'Corporate Governance' published in this Annual Report.

5. (a) Members are requested to register your e-mail address and/or update their email address with the depository participants to ensure that the annual report and other documents reach them at their preferred email address.

(b) The members holding shares in physical mode may also send their request to the Company by letter or by email at info@arunodaymills.in to receive the soft copy of the annual report by email instead of hard copy.
6. Members are requested to send all their documents and communications pertaining to shares and intimate to Bigshare Services Pvt. Ltd., Share Transfer Agents at E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai - 400 072, for changes, if any, in their registered address.
7. Shareholders desirous of any information at the Annual General Meeting, with regard to accounts, are requested to write to the Company their queries 7 days before the scheduled date of meeting so as to enable the Management to keep the information ready.

BY ORDER OF THE BOARD OF DIRECTORS

**KANTILAL K. SHETH
CHAIRMAN & MANAGING DIRECTOR**

Place : Mumbai

Dated : 27th May, 2014

Dear Shareholders,

Your Directors present herewith the **51st** Annual Report of the Company with the Audited Statement of Accounts for the financial year ended **31st March, 2014**.

1. FINANCIAL RESULTS :

	Rs. in Lacs 2013 - 14	Rs. in Lacs 2012 - 13
Profit / (Loss) for the year	(11.36)	(18.18)
The accumulated loss as per Balance Sheet	(9,934.61)	(9,923.25)

In view of Losses, your Directors do not recommend any dividend for the year under review.

2. YEAR IN RETROSPECT :

Loss for the year was at Rs. 11.36 Lacs (Previous Year Rs. 18.18 Lacs). The total Accumulated Loss as on 31st March, 2014 was of Rs. 9934.61 Lacs.

Pursuant to disposal of all the Assets on 17/10/2006, the Company is left with no manufacturing or business activity.

During the year under review Resons Investment P. Ltd. (Resons) recalled the interest free short term loan advanced to the Company. On failing to repay the same on recall Resons served on the Company Notice U/s. 433, 434 and 439 of the Companies Act, 1956 to recover the said loan. The Company requested for some time as it had no resources available to repay. Resons had informed that it will file a petition before the Hon. Hight Court, Gujarat for winding up of the Company.

3. FIXED DEPOSITS :

During the year under review, the Company has neither invited nor accepted any Fixed Deposits from the Public.

4. DIRECTORS :

Pursuant to Article 131 of the Articles of Association of the Company, Shri Mahendra S. Shah, Director retires by rotation and being eligible, offers himself for re-appointment.

5. DIRECTORS' RESPONSIBILITY STATEMENT :

As required under Section 134(5) of the Companies Act, 2013 your Directors confirm that :

- (a) in preparation of the annual accounts, applicable accounting standards have been followed along with proper explanations relating to material departure;
- (b) the directors had 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 as on 31st March, 2014 and of the 'Loss' of the Company for the year ended 31st March, 2014;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) Since manufacturing facilities comprising of all the movable assets of the Company sold by the Secured Lenders there is no manufacturing activity or business activity and in such circumstances it could not be continued as a 'going concern'.
- (e) the Directors have laid down internal financial control to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such system are adequate and operating effectively.

6. (a) AUDITORS :

M/s J. C. Mistry, Chartered Accountants, the present Auditors, retire at the conclusion of the ensuing Annual General Meeting and offer themselves for re-appointment. The Company has received a certificate from them to the effect that their appointment, if made, would be within the prescribed limits under Section 139 of the Companies Act, 2013. Members are requested to appoint the Auditors and fix their remuneration.

(b) AUDITORS' REPORT :

The Notes to the Accounts referred to in the Auditors' Report and observations, qualifications made by the Auditors in their report are self contained and self explanatory and also have been properly dealt within the Notes to the Accounts and therefore do not call for any further explanation under Section 134 of the Companies Act, 2013.

7. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO :

As the Company has no manufacturing operations there is no question of conservation of energy. The company has not imported any technology during the financial year. The Company had no foreign exchange earnings and expenditure during the year.

8. LISTING OF SHARES :

Equity Shares of the Company are listed with Bombay Stock Exchange Ltd.

9. CASH FLOW ANALYSIS :

In conformity with the provisions of clause 32 of the Listing Agreement the Cash Flow Statement for the year ended 31st March, 2014 is annexed hereto.

10. DEPOSITORY SYSTEM :

Your Company continues its arrangement with Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) for dematerialization of the Shares in accordance with the provisions of the Depositories Act, 1996.

11. CORPORATE GOVERNANCE :

As per Clause 49 of the Listing Agreement with the Bombay Stock Exchange, Management Discussion and Analysis and Corporate Governance Practices followed by the Company together with a certificate from the Company's Auditors confirming compliance is set-out as separate Annexure to this report

12. ENVIRONMENT, SAFETY AND POLLUTION CONTROL :

As the Company has no manufacturing operations there is no question of compliance as to Safety, Environmental and Pollution Control.

13. SECRETARIAL COMPLIANCE :

Pursuant to the provisions of Section 204 of the Companies Act 2013, the compliance certificate dated 27th May, 2014 of Shri I. D. Joshi, Practicing Company Secretary as to registers, records, books and papers under the Companies Act 2013 is attached herewith in the Annual Report.

BY ORDER OF THE BOARD OF DIRECTORS

**KANTILAL K. SHETH
CHAIRMAN & MANAGING DIRECTOR**

Place : Mumbai

Dated : 27th May, 2014

Regd. office :

'JYOT',

Kanta Stree Vikas Grah Road,

Bhakti Nagar,

Rajkot - 360 002

This report discusses the operations and financial performance of your Company.

1. OVERALL REVIEW :

The Company has no production activity as IDBI took possession of mills on 17th October, 2006 under the Securitisation Act and sold by auction on 8th February, 2007.

A) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :

The Company has a proper and adequate internal controls commensurate with its size and the nature of its operations in order to ensure that all assets are properly safeguarded against loss from unauthorised use or disposal. All significant issues are brought to the attention of the Audit Committee of the Board.

B) COMPANY'S FINANCIAL PERFORMANCE & ANALYSIS :

Loss was at Rs. 11.36 Lacs against Rs. 18.18 Lacs in the previous year. The total Accumulated Loss as on 31st March, 2013 was of Rs. 9,934.61 Lacs.

C) HUMAN RESOURCE DEVELOPMENT / INDUSTRIAL RELATIONS:

The Company does not have any employee.

D) CAUTIONARY STATEMENT:

Though the statement and views expressed in the above said report are on the basis of best judgment but the actual future results might differ from whatever is stated in the report.

BY ORDER OF THE BOARD OF DIRECTORS

**KANTILAL K. SHETH
CHAIRMAN & MANAGING DIRECTOR**

Place : Mumbai

Dated : 27th May, 2014

Regd. office :

'JYOT',

Kanta Stree Vikas Grah Road,

Bhakti Nagar,

Rajkot - 360 002

Report on Corporate Governance.**I. COMPANY'S PHILOSOPHY:**

The Company continues to focus on good corporate governance and its objective lies in the growth and direction of the business, transparency in its operations, compliance of laws, management accountability, professionalism and equitable treatment with its stakeholders.

II. BOARD OF DIRECTORS :**A. Composition of the Board :**

The Board of Directors of the Company consists of eminent persons with considerable professional expertise and experience in business and industry, finance, management and marketing. The present strength of the Board of Directors is three including the Chairman cum Managing Director.

Brief profile of the Directors :

- (1) Shri Kantilal Keshavlal Sheth (91) (DIN 00202885) holds B. Sc. Degree. He is one of the chief promoters of the Company and was appointed as Managing Director on 2nd April, 1974. He is the Chairman cum Managing Director of the Company since 18th August 1993.
- (2) Shri Mahendra S. Shah (73) (DIN 01638857) holds B. Com. Degree. He is an Independent Director and joined the Board on 10th March, 2005
- (3) Shri Vamanray M. Mehta (68) (DIN 04292661) holds B. Sc., LLB Degrees. He is GSFC Nominee and joined the Board on 15th November, 2000.

No Director is related to any other director on the Board in terms of the provisions of Companies Act, 2013.

B. Board Procedure :

The Board meets at-least once a quarter to review the quarterly performance and financial results. Notice of the Board Meeting is given in writing to each Director.