

MD	<input checked="" type="checkbox"/>		BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RC	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
ACM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		



Report  junction.com

# THE DAWN MILLS CO. LTD.

84th ANNUAL REPORT  
1996-97





**The Dawn Mills Company Limited**

*BOARD OF DIRECTORS*

SHRI BANSI S. MEHTA - Chairman

SHRI R. GOENKA

SHRI M. G. PITTIE

SHRI D.B. DHURV

SHRI P.S. VAIDYA

SHRI N. P. JHUNJHUNWALA

SHRI C.H. MIRANI

SHRI S.K. JALAN

SHRI N. R. RUIA - Managing Director

SHRI R.V. RUIA - Executive Director

Secretary

SHRI S.P. GUPTA

Bankers

BANK OF BARODA

Auditors

NANUBHAI & CO.  
MUMBAI 400 023.

Solicitors

DHRU & CO.  
MUMBAI 400 023.

Registered Office and Mills

GANPATRAO KADAM MARG  
LOWER PAREL  
MUMBAI 400 013.

## The Dawn Mills Company Limited

---

### Retail Shops of the Company

1. 'Sukh Sagar', N.S. Patkar Marg, Mumbai 400 007
2. 395, Kalbadevi Road, Mumbai 400 002
3. Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013
4. Senapati Bapat Marg, Lower Parel, Mumbai 400 013
5. Super Shopping Centre, Swami Vivekanand Road, Andheri(W), Mumbai 400 058
6. Sunil Stores, Amar Niwas, 185, New Charni Road, Mumbai 400 004
7. Fancy Dresses, Pradhan's Building, Gokhale Road, Thane 1
8. Sandeep Stores, Station Road, Near Police Ground, Ramnagar, Dombivli (E), Thane Dist.
9. 712, Narayan Peth, Laxmi Road, Poona 30
10. Booty Estate, Variety Chowk, Sitabuldi, Nagpur 12
11. 144, Commercial Street, Bangalore 1
12. 2A, Amman Sannadhi Street, Madurai 1

Report  junction.com



# NOTICE

NOTICE IS HEREBY GIVEN that the Eighty-fourth Annual General Meeting of The Dawn Mills Company Limited will be held on Monday, the 11th August, 1997 at 3.30 p.m. at Jai Hind College Hall, 'A' Road, Churchgate, Mumbai 400 020 for the purpose of transacting the following business:

1. To receive, consider and adopt the Directors' Report and audited Profit and Loss Account of the Company for the year ended 31st March, 1997 and the Balance Sheet as at that date.
2. To declare a dividend.
3. To appoint a Director in place of Shri D.B. Dhruv who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Shri P.S. Vaidya who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors to hold Office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

## SPECIAL BUSINESS:

6. To appoint a Director in place of Shri C.H. Mirani who as a Director filling the casual vacancy caused by the resignation of Shri C.C. Ganapathy, holds office upto the date of the ensuing Annual General Meeting being the date upto which Shri C.C. Ganapathy would, but for his resignation, have held office, and who is eligible for appointment and in respect of whom the Company has received a notice in writing from some member pursuant to Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director.
7. To appoint a Director in place of Shri Sushil K. Jalan who was appointed as an Additional Director of the Company and who under Section 260 of the Companies Act, 1956 holds office upto the date of the ensuing Annual General Meeting and is eligible for appointment and in respect of whom the Company has received a notice in writing from some member pursuant to Section 257 of the Companies Act, 1956 proposing his candidature for the Office of Director.

By Order of the Board of Directors

## Registered Office:

Ganpatrao Kadam Marg,  
Lower Parel,  
Mumbai 400 013.  
Mumbai, 20th June, 1997.

**S.P. GUPTA**  
Secretary

## 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 OF THE COMPANY.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, the 15th July, 1997 to Monday, the 11th August, 1997 (both days inclusive).
3. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of item Nos. 6 & 7 of the Notice set out above is hereto annexed.

## ANNEXURE TO THE NOTICE

(Explanatory Statement)

As required by Section 173 of the Companies Act, 1956, the following Explanatory Statements set out all the material facts, relating to the Special Business mentioned in the accompanying Notice dated 20th June, 1997

### ITEM No.6

Shri C.H. Mirani was appointed a Director by the Board of Directors of the Company on 20th June, 1997 under Article 129 of the Company's Articles of Association to fill the casual vacancy on the Board caused by the resignation of Shri C.C. Ganapathy. Under Section 262 of the Companies Act, 1956, Shri C.H. Mirani holds office upto the date. Shri C.C. Ganapathy, in whose place he was appointed, would have held office viz., upto the date of this Annual General Meeting. As required by Section 257 of the Companies Act 1956, a notice has been received from a member along with a deposit of Rs.500/- signifying his intention to propose Shri C.H. Mirani as a Director. In view of the knowledge and experience of Shri C.H. Mirani in the business of cotton, the Board considers it desirable that the Company should continue to avail itself of his services as a Director.

### ITEM No.7

Shri Sushil K. Jalan was appointed by the Board of Directors as an Additional Director with effect from 20th June, 1997 under Article 129 of the Company's Articles of Association. Under Section 260 of the Companies Act, 1956, Shri Sushil K. Jalan holds office upto the date of this Annual General Meeting. As required by Section 257 of the Companies Act, 1956, a notice has been received from a member along with a deposit of Rs.500/- signifying his intention to propose Shri Sushil K. Jalan as a Director. Shri Jalan has ample experience in industry and management, hence the Board considers it desirable that the Company should continue to avail itself of his services as a Director.

Shri C.H. Mirani and Shri Sushil K. Jalan are respectively interested in the above Resolutions as Directors, and none of the other Directors are in any way concerned or interested in the said Resolutions

By Order of the Board of Directors

## Registered Office:

Ganpatrao Kadam Marg  
Lower Parel, Mumbai 400 013  
Mumbai, 20th June, 1997

**S.P. GUPTA**  
Secretary

## The Dawn Mills Company Limited

### DIRECTORS' REPORT

To  
The Members of  
The Dawn Mills Company Limited

The Directors hereby present their Eighty-fourth Annual Report together with the audited Statement of Accounts for the year ended 31st March, 1997.

	1996-97 (Rupees)	1995-96 (Rupees)
<b>2. Financial Results</b>		
Gross Profit	1,75,17,867	1,32,42,465
Depreciation	(71,12,603)	(67,47,772)
Provision for taxation	(59,00,000)	(20,00,000)
Income tax in respect of earlier years	(5,55,566)	(2,01,664)
Debits/Credits relating to earlier years	31,407	2,23,825
Provision for Doubtful Debts written back	30,354	—
Balance brought forward from last account	2,54,58,170	2,32,75,116
	<u>2,94,69,629</u>	<u>2,77,91,970</u>
<b>Appropriation</b>		
Transfer to General Reserve	3,05,000	3,40,000
Proposed Dividend @ 18%	22,50,000	19,93,800
Dividend Tax on Distributed Profits @ 10% of proposed Dividend	2,25,000	—
Balance carried to Balance Sheet	2,66,89,629	2,54,58,170
	<u>2,94,69,629</u>	<u>2,77,91,970</u>

As for the qualification in paragraph 4 of the Auditors' Report attention is invited to the notes to which the Auditors have invited reference, which notes are self explanatory.

### 3. Dividend

The Directors recommend for your consideration payment of dividend for the year ended 31st March, 1997 at the rate of 18% (i.e. Rs.9.00 per share) on 2,50,000 Equity Shares of Rs.50/- each fully paid. If approved, dividends aggregating Rs.22,50,000/- will be paid out of the Profits.

### 4. Performance

In spite of the recessionary market conditions primarily caused by increased inflation and financial liquidity squeeze which affected all segments of industry and trade, the sales of your Company amounted to Rs.4,984 lacs during the year ended 31st March, 1997 as against Rs.5,226 lacs during the preceding year. This could be achieved mainly due to the efforts of the management in effecting timely changes in the product-mix according to the market needs.

Despite the marginal drop in turnover, the margins of your Company have improved due to the fall in prices of Polyester Staple Fibres since the last quarter of 1996 together with availability of the required types of cotton at reasonable rates. However, for the last two months, the prices of Cotton and Polyester Staple Fibres are showing a rising trend. Improved margins were partly neutralised owing to the ever increasing prices of power & fuel, stores, wages and other inputs.

As regards the prospects for the current year, the working has been satisfactory so far. However, factors like this year's monsoon, consumer demand, market conditions and prices of raw materials which have a direct bearing on the working may finally shape this year's result.

### 5. Exports

The exports during the year aggregated Rs.43.66 lacs compared to Rs.86.48 lacs during the preceding year. Hosiery garments worth Rs. 43.66 lacs were exported during the year as compared to Rs.73.76 lacs during the preceding year. The exports have gone down mainly due to stiff competition from manufacturers in unorganized sector who have comparative cost benefits.

The management continues its efforts to explore new export markets so that the amount of exports can be pushed up during the year.

### 6. Modernisation

The Company is continuing to modernise its manufacturing process and during the year it undertook the installation of Trumac Super Bale Opener, Classikin Digital Yarn Clearer on Winding Machine, Centralised Vacuum System, Energy Saving High Speed Ring Spindles. These machines have helped the Company in quality improvement, greater productivity and keeping it upto date with the latest modern technology in textile industry.



#### 7. Subsidiary Company

As required under the provisions of the Companies Act, 1956 the accounts together with Directors' Report of Dawn Apparels Limited for the year ended 31st March, 1997 are attached to the Balance Sheet of the Company.

#### 8. Public Deposits

At the end of the financial year there were 3 depositors who had not claimed their deposits aggregating Rs.9000/- which had matured. The deposits continue to be unclaimed.

#### 9. Insurance

All the properties of the Company including building, machinery and plant, stocks, loss of profits and standing charges and liabilities are adequately insured.

#### 10. Safety and Pollution Control

Your Company accords priority to the health and safety of its employees. It has been taking proper care in complying with all the statutory requirements relating to safety, environment and pollution control. Safety audit and environment audit reports are prepared and submitted to the prescribed authorities.

#### 11. Personnel

The industrial relations during the year remained satisfactory. The Directors wish to place on record their appreciation of the valuable services rendered by the workmen, staff and officers at all levels.

#### 12. Appreciation

The Directors acknowledge with gratitude the co-operation and assistance received by the Company from its Bankers and the Financial Institutions who have been extending all possible help to the Company to meet its financial requirements.

#### 13. Directors

In accordance with the requirements of the Companies Act, 1956 and Articles of Association of the Company, Shri D.B. Dhruv and Shri P.S. Vaidya retire from the Board of Directors by rotation and are eligible for reappointment.

During the year Shri C.C. Ganapathy resigned from the Board of Directors of the Company due to ill-health and in the resulting casual vacancy Shri C.H. Mirani was appointed as a Director on the Board of Directors of the Company with effect from 20th June, 1997. Shri Mirani holds office upto the date of this Annual General Meeting, being the date upto which Shri C.C. Ganapathy would have held the office if he had not resigned. Shri Mirani is eligible for appointment.

Your Directors place on record their appreciation for the valuable services rendered by Shri C.C. Ganapathy during his long association with the Company.

Further, to strengthen the Board of Directors, Shri Sushil K. Jalan a known Industrialist was appointed as an Additional Director by the Board on 20.06.1997 and he holds Office upto the date of this Annual General Meeting and is eligible for appointment.

#### 14. Particulars of Employees

In compliance with the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, a statement giving the requisite information is annexed hereto and forms part of this report.

#### 15. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Information pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 is given in the annexure to the report.

#### 16. Auditors

At the forthcoming Annual General Meeting the members will be required to appoint Auditors for the current year and to fix their remuneration.

For and on behalf of the Board of Directors

Registered Office:  
Ganpatrao Kadam Marg  
Lower Parel  
Mumbai 400 013

BANSI S. MEHTA  
Chairman

Mumbai, 20th June, 1997

## The Dawn Mills Company Limited

### ANNEXURE TO THE DIRECTORS' REPORT

Additional information as required under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

#### A. CONSERVATION OF ENERGY

- (a) Energy Conservation measures taken:
  - Replacement of 5000 old Ring Spindles by Energy Saving Spindles.
  - Installation of P-20 Power Saving Unit in Ring Department.
  - Installation of PVC Strip Doors in Ring Spinning.
  - Replacement of I.C. Lamps of 100 Watts by C.F.L. Lamps.
- (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:
  - Replacement of fluorescent tubes, chokes by electronic chokes.
  - Replacement of fluorescent tubes by energy efficient 'Lumilux' tubes.
  - To reuse the ETP water in processing by modifying the existing E.T.P.
  - Centralised vacuum cleaning system.
- (c) Impact of measures at (a) and (b) for reduction of energy consumption and consequent impact on the cost of production of goods:
  - Overall saving in cost of energies, thereby saving in cost of production.
- (d) Total energy consumption and energy consumption per unit of production in prescribed Form 'A' are given as under:

	Current Year 1996-97	Previous Year 1995-96
<b>A. Power and Fuel Consumption</b>		
1. <b>Electricity</b>		
Purchased Unit (KWH in lacs)	146.97	145.27
Total Amount (Rs. in lacs)	419.66	368.38
Avg. Rate/Unit	2.86	2.54
2. <b>Furnace oil/LSHS</b>		
Quantity (in M.Tonnes)	557.10	638.83
Total Cost (Rs. in lacs)	35.48	35.77
Avg. Rate (Rs.per M.T.)	6368.70	5599.30
<b>B. Consumption per unit of Production</b>		
1. Electricity (KWH) - Yarn/Kg.	5.38	5.42
- Hos./Kg.	3.25	2.35
2. Furnace Oil/LSHS (Kg.) -Yarn/Kg.	0.135	0.163
- Hos./Kg.	1.071	0.802

#### B. TECHNOLOGY ABSORPTION:

Efforts made in technology absorption as per Form 'B' of the Annexure to the Rules.

##### I. Research & Development ( R & D )

1. Specific areas in which R & D carried out by the Company.
  - (a) Installation of Trumac Super Bale Opener.
  - (b) Electronic Yarn Clearer on Winding Machine.
  - (c) New variety of Blended Khadi Yarn.
2. Benefits derived as a result of the above R & D:
  - (a) Improvement in the quality and productivity of the existing products.
  - (b) New range of melange yarns.
3. Further Plan of action:
  - Efforts are continuing to develop new products and improve the quality and productivity.
4. Expenditure on R & D:
  - Expenditure on R & D amounted to Rs.1.55.000/- during the year.

##### II. Technology absorption, adaptation and innovation:

1. Efforts in brief, made towards technology absorption, adaptation and innovation:
  - (a) Addition of Slub Units to produce Fancy Yarns.
  - (b) Training programme in total quality concepts and ISO: 9000 for technical staff.





2. Benefits derived as a result of the above efforts:
  - (a) New range of Fancy Yarns.
  - (b) The culture and loyalty of the staff were congenial to the new ideas.
3. Information regarding technology imported during the last 5 years.
  - Not Applicable.

**C. FOREIGN EXCHANGE EARNING AND OUTGO:**

1. Activities, relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans.
  - Owing to adverse export market conditions relating to the Company's products, the exports during the year remained low. Existing exports are of knitted garments and efforts are being made to develop such exports through all possible means.

	Rs. in lacs
- Total Foreign Exchange Used	13.13
- Total Foreign Exchange Earnings	43.66

For and on behalf of the Board of Directors

**Registered Office:**

Ganpatrao Kadam Marg,  
Lower Parel,  
Mumbai 400 013.

Mumbai, 20th June, 1997.

**BANSI S. MEHTA**  
Chairman

Statement of particulars under Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975 forming part of the Directors' Report for the year ending 31st March, 1997.

(A) Employed throughout the Financial Year under review and were in receipt of remuneration for that Financial Year in aggregate of not less than Rs.3,00,000/- per annum or Rs. 25,000/- per month.

Sr. No.	Name	Designation, Nature of duties	Qualification	Age Yrs	Experience in years including previous experience	Date of commencement of employment	Remuneration received/receivable (Rupees)	Last employment including designation and period
1	2	3	4	5	6	7	8	9
1.	Mr. Ruia N.R.	Managing Director	Senior Cambridge Trained in U.K. & Germany for Business Management	57	37	01.01.1970	9,53,015	—
(B) Employed for part of the year and were in receipt of remuneration at the rate of not less than Rs.25,000/- per month.								
1.	Mr. Joshi M.S.	Chief Executive	B.E. (Elec) B.E. (Mech) M.S.I.E.	56	35	06.07.1992	3,32,328	Sumeet Machines Pvt. Ltd. Executive Director 1 Year.
2.	Mr. Mendiratta M.M.	Financial Controller	B.Com. A.C.A. C.I.A.	62	36	15.10.1984	3,69,489	Western India Glass Works Ltd Financial Controller 7 Years.
3.	Mr. A. Ganguli	Vice-President Garments	B.A. (Hons.)	50	30	25.9.1996	1,90,790	Solar Group of Companies Chief Executive 5 Months

**Notes:** (1) The employment of Managing Director is contractual for 5 years and terminable by 3 calendar months' notice on either side.

(2) Remuneration figures include Salary, H.R.A., Company's contribution to P.F., Medical Reimbursement, Commission, Gratuity as per actuarial valuation and also monetary value of perquisites calculated in accordance with the provisions of Income-tax Act, 1961 and the rules made thereunder.

For and on behalf of the Board of Directors

**BANSI S. MEHTA**  
Chairman

Mumbai, 20th June, 1997.

## The Dawn Mills Company Limited

### AUDITORS' REPORT TO THE MEMBERS

(Report on the Accounts for the year ended 31st March, 1997 in compliance with Section 227(2) of the Companies Act, 1956).

We have audited the attached Balance Sheet of The Dawn Mills Company Limited as at 31st March, 1997 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto and we report that :-

As required by the Manufacturing and other Companies Auditors' Report Order, 1988 issued by the Company Law Board in terms of Section 227 4(A) of the Companies Act, 1956, in our opinion and on the basis of such checks as we considered appropriate, and according to the information and explanation given to us during the normal course of the audit which were necessary to the best of our knowledge and belief, we enclose in the Annexure 'I' attached hereto a statement in matters referred to in para 4 and 5 of the said order and further report that:-

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion, proper books of account as required by law, have been kept by the Company in so far as it appears from our examination of the books.
3. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
4. In our opinion, and to the best of our information and according to the explanations given to us the accounts read with notes thereon and subject to the following and matters referred to in the Annexure 'I' attached hereto.
  - (a) Note No. 6 regarding provision of Rs.24,78,214/- (cumulative as at March 31, 1997) of Leave Encashment liability in the Profit & Loss Account for the year, on account of Change in the Accounting policy of accounting of Leave Encashment liability. As a result of this change, profit for the year is lower by Rs.24,78,214/- and provisions are higher by Rs.24,78,214/-.
  - (b) Note No.9 regarding Non-provision of gratuity liability amounting to Rs.146,70,778/- in respect of past years till 30.6.88.
  - (c) Note No.10 regarding Non-provision of diminution in value of unquoted investments Rs.150,150/-.

give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view.

  - (a) in the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 1997.
  - (b) in the case of the Profit and Loss Account of the "Profit" for the year ended on that date.

For NANUBHAI & CO.  
Chartered Accountants  
S.M. SAKHARDANDE  
Partner

Mumbai, 20th June, 1997.

(Annexure 'I' referred to in para (1) of the report to the Members of The Dawn Mills Company Limited for the year ended 31st March 1997)

- (i) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets as from the year 1964-65. As explained to us, these fixed assets were physically verified by the management once during the year. No material discrepancies were observed on such verification, according to the information and explanations given to us. In our opinion, the frequency of physical verification should be at reasonable intervals.
- (ii) None of the fixed assets have been revalued during the year.
- (iii) The Stocks of finished goods, spare parts and raw materials, other than those lying with outside parties, those lying in bonded warehouse and those given on loan, have been physically verified by the management at reasonable intervals.
- (iv) In our opinion and according to the information and explanations given to us, the procedures of physical verification of stocks followed by the management were found reasonable and adequate in relation to the size of the Company and the nature of its business.
- (v) According to the records produced to us discrepancies noticed on verification of physical stocks and book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- (vi) In our opinion and on the basis of our examination of stocks, the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
- (vii) The Company has during the year not taken any loan from companies and other parties listed in the register maintained under Section 301 of the Companies Act, 1956. As explained to us, there are no Companies under the same management as this company within the meaning of Section 370 (1B) of the Companies Act, 1956.