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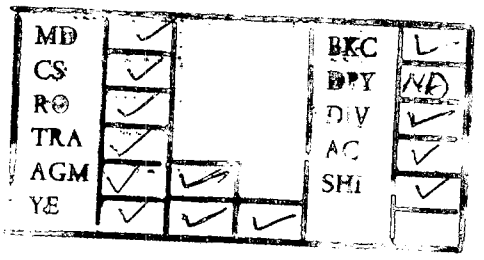

ANNUAL
REPORT
1996-97

Maharaja Shree
UMAID MILLS LIMITED

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Maharaja Shree
UMAID MILLS LIMITED

ANNUAL REPORT 1996-97

Board of Directors	SHRI LN BANGUR, *Chairman & Managing Director* SMT ALKA BANGUR, *Director* SHRI SR MOHTA, *Director* SHRI MM KASAT, *Director* SHRI RN SARDA, *Director* SHRI AL MAHESHWARI, *Executive Director*
Secretary	SHRI GOPAL LOHIYA
Auditors	M/s BD GARGIEYA & CO., JAIPUR
Bankers	STATE BANK OF INDIA STATE BANK OF BIKANER & JAIPUR PUNJAB NATIONAL BANK THE BANK OF RAJASTHAN LTD. CENTRAL BANK OF INDIA
Regd. Office	A-2, PRITHVIRAJ ROAD, JAIPUR (Rajasthan) PIN – 302 005
Administrative Office and Works	PALI (Rajasthan) PIN – 306 401

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Maharaja Shree
UMAID MILLS LIMITED

NOTICE

NOTICE is hereby given that the 57th Annual General Meeting of the members of **MAHARAJA SHREE UMAID MILLS LIMITED** will be held at its Registered Office at A-2, Prithviraj Road, Jaipur - 302 005 on Saturday, the 23rd day of August, 1997 at 4.00 P.M. to transact the following business :

ORDINARY BUSINESS

1. To consider and adopt the Directors' Report, the Audited Balance Sheet as at 31st March, 1997 and the Profit & Loss Account for the year ended on that date.
2. To declare Dividend.
3. To appoint Auditors for the current year and to fix their remuneration.

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution.

   "RESOLVED that the vacancy caused as a result of the retirement of Shri RN Sarda by rotation from the Directorship of the Company, be left unfilled up as Shri RN Sarda has for his personal reasons expressed his unwillingness to continue as Director."

5. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution.

   "RESOLVED that Smt. Alka Bangur, who was appointed as an Additional Director of the Company with effect from 30th November, 1996 by the Board of Directors and who ceases to hold office as such Director on the date of this Annual General Meeting pursuant to Section 260 of the Companies Act, 1956; and in respect of whom the Company has received a notice in writing u/sec. 257 proposing her candidature for the office of Director, be and is hereby appointed a Director of the Company."

By Order of the Board
JAIPUR — **GOPAL LOHIYA**
28th June, 1997 — *Secretary*

NOTES

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under items No. 4 and 5 above is appended hereto and forms part of the Notice.
2. 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. A proxy in order to be effective, must reach to the Company not less than 48 hours before the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 19th day of August, 1997 to 23rd day of August, 1997 (both days inclusive).
4. Dividend, when declared, will be payable to those members whose names appear on the Register of Members as on 23rd August, 1997.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 4

Shri RN Sarda, a Director of the Company retires by rotation w.e.f. the date of the forthcoming Annual General Meeting. As Shri RN Sarda has expressed his unwillingness to continue as Director, on account of his indifferent health. The vacancy caused as a result of his retirement is proposed to be kept unfilled up for the time being.

None of Directors of the Company is interested or concerned in the proposed resolution.

Item No. 5

Smt. Alka Bangur was appointed as an Additional Director of the Company by the Board of Directors of the Company with effect from 30th November, 1996 in accordance with the provisions of Section 260 of the Companies Act, 1956 and the Article 92 of the Articles of Association of the Company. Pursuant to Section 260 of the Companies Act, 1956 Smt. Alka Bangur retains her office as such Director till the ensuing Annual General Meeting. A notice u/sec. 257 of the Companies Act, 1956 has been received from a member of the Company signifying his intention to propose the candidature of Smt. Alka Bangur for appointment as a Director of the Company.

None of Directors, except Shri LN Bangur, the Chairman cum Managing Director of the Company and Smt. Alka Bangur, is interested or concerned in the proposed resolution. Other members of the Board consider it desirable that the Company should continue to avail of her services as a Director, hence commend the resolution to be passed.

JAIPUR — **GOPAL LOHIYA**
28th June, 1997 — *Secretary*

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Maharaja Shree
UMAID MILLS LIMITED

DIRECTORS' REPORT TO THE SHAREHOLDERS

For the year ended on 31st March, 1997

Gentlemen,

Your Directors are pleased to submit their 57th Annual Report and Audited Statements of Accounts for the year ended on 31st March, 1997.

The Operating Results are as follows :

		(Rs. in Lacs)
Gross Operating Profit		251.89
To which are added :		
Balance brought forward from previous year	54.70	
Transfer from General Reserve	10.00	
Taxation of earlier years	(137.56)	
Excess provisions of earlier years written back	78.24	5.38
		257.27
From which are deducted :		
Depreciation	178.87	
Provision for Taxation	31.00	209.87
Balance		47.40
Which your Directors propose to be appropriated as under :		
Proposed Dividend (Subject to deduction of tax) On 43,20,000 Equity Shares @ Re. 1.00 per share	43.20	43.20
Balance carried forward to next year		4.20

A wholly unjust and illegal strike by the workmen of one of the crucial intermediate links in the chain of process, which commenced on 30.03.1996 at the instigation of and through unworthy manoeuvres by certain rank outsiders, paralysed operations of the Company's factory for nearly three months in the first instance. In the then compelling circumstances, most reluctantly though, a lockout had to be resorted to.

Following a tripartite settlement whereby the indisputable norms of discipline and peaceful working of the industry for future were reaffirmed, the lockout was lifted with effect from 04.08.1996. It did take time to contain the rampant disturbances necessitating considerable forbearance on part of the management even thereafter. But in the end, the unsavoury and unprecedented protracted phase of troubles has come and gone, like it can happen once a while in the life of any organisation, thanks to the prevailing order around and the consequent industrial hazards.

Of late, however, the peace loving workmen at large belonging to this organisation, which has an enviable record of mutual cooperation and cordiality, have at last been able to distance themselves from the unscrupulous elements, and normalcy of industrial relations has since been restored which the management expects to last long.

The effect of the prolonged stoppage of the factory as above on production, turnover and operating profits during the year under review, was inevitable. This was further compounded by the liability of arrears of fuel surcharge to the tune of Rs. 169 lacs which arose during the year and as such required to be provided for. The continued recessionary conditions and the aforementioned factors notwithstanding, the operational performance returned by the Company in the present instance is by any standard worth a consolation.

The Company has already reemerged stronger than ever before. After the regrettable helpless recess of about a year solely on account of the

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conditions of disturbances mentioned above, it has resumed its developmental and growth plans. Barring any unforeseen circumstances, operational results in the current year are bound to be better.

Energy Conservation and Pollution Control
Company's efforts for control of pollution on its own apart from forming part of the centralised effluent treatment plant in respect of water; and the sustained measures taken by it for conservation of energy with dependence on own generation of power to a larger extent in the present circumstances, are being continued.

Information in accordance with the provisions of 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 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the Annexures hereto which forms part of this Report.

Public Deposits
The Company had Public Deposits aggregating to Rs. 173.12 lacs as on 31st March, 1997. This included Rs. 15 thousand relating to two depositors which by then matured for repayment but remained unclaimed. The same have since been renewed at the request of the depositors concerened. The Company has complied with all the statutory requirements in connection with the Public Deposits.

Insurance
The Mill's Buildings, Plant & Machinery, Stores, Stocks of Raw Materials, Stock-in-process and Finished goods etc. have been adequately insured.

Particulars of Employees
The Statement giving particulars of employees as required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is annexed hereto and forms part of this report.

Directors
Smt. Alka Bangur, who was appointed on the Board of Directors of the Company as an Additional Director with effect from 30th Nov., 1996, shall hold office as such up to the date of the forthcoming Annual General Meeting. A notice under Section 257 of the Companies Act, 1956 has been received from a Member of the Company signifying his intention to propose the appointment of Smt. Alka Bangur as a Director of the Company.

In accordance with the Articles of Association of the Company, Shri RN Sarda retires from the Board of Directors by rotation. He has expressed his unwillingness to continue as Director. The Board is pleased to place on record its appreciation for the valuable association of and services rendered by Shri RN Sarda during his tenure as Director.

Auditors
At the Annual General Meeting, the Members will be requested to appoint Auditors for the current year and to fix their remuneration. M/s B.D. Gargieya & Co. Auditors of the Company retire and are eligible for reappointment.

On behalf of the Board
LN BANGUR
Chairman & Managing Director

CALCUTTA
26th June, 1997

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UMAID MILLS LIMITED

PARTICULARS OF EMPLOYEES FORMING PART OF DIRECTORS' REPORT IN TERMS OF SECTION 217 (2A) OF THE COMPANIES ACT, 1956

Sl. No.	Name	Designation & Nature of Duties	Remuneration received Rs. in lacs	Qualifications	Experience in years	Date of commencement of employment	Age	Last Employment held Name of Concern & Designation
A. EMPLOYED FOR THE YEAR								
1.	Shri Bangur LN	Chairman & Managing Director	9.02	B.Com.	27	11-08-93	48	–
2.	Shri Maheshwari AL	Executive Director	3.90	B.Com., A.C.A.	28	26-10-83	51	Indian Rayons Corpn. Ltd., Mumbai (Sr. Vice President)
B. EMPLOYED FOR PART OF THE YEAR								
3.	Shri Khandelwal LS	Secretary & Vice President (Finance)	4.04	B.Com. F.C.A. AASM	28	06-09-68	53	—

NOTES :

1. Appointment of Shri LS Khandelwal is non-contractual.
2. Remuneration includes salary, allowances, Company's contribution to Provident Fund, value of rent-free accommodation, leave travel assistance, reimbursement of medical expenses, payment of gratuity, leave salary and other perquisites as per Income Tax Rules, but does not include incremental liability of gratuity.
3. None of the above employee except Shri LN Bangur is a relative of the Directors of the Company.

On behalf of the Board
LN BANGUR
Chairman & Mg. Director

CALCUTTA
26th June, 1997

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UMAID MILLS LIMITED

ANNEXURE TO DIRECTORS' REPORT

INFORMATION REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN RESPECT OF BOARD OF DIRECTORS) RULES, 1988.

FORM 'A'

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. POWER & FUEL CONSUMPTION :		Current Year 1996-97	Previous Year 1995-96
(1) Electricity			
(a) Purchased Units	('000 Units)	16,337	31,982
Total Amount	('000 Rs.)	48,516	78,552
Rate/Unit	(Rs.)	2.97	2.46
(b) Own Generation			
(i) Through Diesel Generators			
Units	('000 Units)	7,827	5,717
Units per Ltr. of Diesel Oil		3.34	3.28
Cost/Unit (Cost of Diesel)	(Rs.)	2.35	2.10
(ii) Through Steam Turbine Generation		NIL	NIL
(2) Coal Grade 'B' (Used in Boilers for generation of Steam for steaming Yarn & Fabrics)			
Quantity	(Tonnes)	10,355	16,873
Total Cost	('000 Rs.)	14,904	20,694
Average Rate	(Rs. per tonne)	1,439.33	1,226.45
(3) Furnace Oil		NIL	NIL
(4) Other/Internal Generation		NIL	NIL
B. CONSUMPTION PER UNIT OF PRODUCTION			
(1) Electricity (Units)	Fabrics (per thousand Mtrs.)	709.34	670.40
	Yarn (per Metric Tonne)	2,262.22	2,341.68
(2) Furnace Oil		NIL	NIL
(3) Coal Grade 'B' (Tonnes)	Fabrics (per thousand Mtrs.)	0.74	0.83
	Yarn (per Metric Tonne)	0.25	0.26

The figures given in Entry 'B' above with regard to consumption of different types of energy/fuel per unit of production are only gross averages and are not comparable from year to year on account of the inherent factors about the denominators used in the prescribed format of the Annexure; and because of such vast number of variable attributes that go into the average computations as above, even significant variations are inescapable.

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FORM 'B'

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

RESEARCH AND DEVELOPMENT (R & D)

1. Specific areas in which R & D carried out by the Company and benefits derived as a result thereof :	The Company has been relying on the R & D efforts of the research institutions viz. ATIRA and BTRA of which it has been a member. The inhouse research & development effort at present is directed to process control and variations in the existing products through a well established recently upgraded Standards Quality Control Cell and a Chemical Laboratory.
2. Future plan of action :	—
3. Expenditure on R & D :	—
4. Technology absorption, adaptation and innovation : (i) Efforts, in brief, made towards technology absorption, adaptation and innovation. (ii) Benefits derived as a result of the above efforts. (iii) Information regarding Technology imported during last 5 years.	The Company is having plans to update the technology of the equipment by continued further modernisation.
5. Activities relating to exports; initiatives taken to increase exports; developments of new export markets for products and services, and export plan :	The management has been keen on developing product and market for export particularly with regard to Yarns. As reported earlier the first step necessary in this regard is that equipment base is selectively upgraded by further modernisation/ renovations etc. and an overall culture for quality is inculcated, so that sound and assured consistent product quality base is established enabling systematic entry in the international market. Plans in this regard came to be recessed for about a year in the meanwhile on account of the protracted labour troubles. Now that the situation is completely under control as before, the process of implementation of the plans for growth and modernisation has been resumed. The Management endeavour is that with about two to three years of further efforts in this behalf the overall standards of quality of products will be achieved whereupon regular exports should start.
6. Total foreign exchange earnings & outgo (1996-97)	
(i) Foreign exchange earnings	Nil
(ii) Foreign exchange outgo	Rs. 4.19 Lacs.

On behalf of the Board
LN BANGUR
Chairman & Mg. Director

CALCUTTA
26th June, 1997

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