ANNUAL REPORT 1998-99

# Maharaja Shree UMAID MILLS LIMITED

#### **Board of Directors**

SHRI LN BANGUR, Chairman & Managing Director

SMT ALKA BANGUR, Director

SHRI SR MOHTA, Director

SHRI MM KASAT, Director

SHRI AL MAHESHWARI, Managing Director

### 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

#### NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 59th 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 Monday, the 27th day of September, 1999 at 4.00 P.M. to transact the following business:

#### **ORDINARY BUSINESS**

- To consider and adopt the Directors' Report, the Audited Balance Sheet as at 31st March, 1999 and the Profit & Loss Account for the year ended on that date.
- To declare Dividend.
- To appoint a Director in place of Shri S.R. Mohta, who retires by rotation and being eligible, offers himself for reappointment.
- 4. To appoint Auditors for the current year and to fix their remuneration.

JAIPUR 30th July, 1999 On behalf of the Board
AL MAHESHWARI
Managing Director

#### **NOTES**

- A member entitled to attend and vtoe 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 form in order to be effective, must
  reach the Company not less than 48 hours before the meeting.
- The Register of Members and Share Transfer Books of the Company will remain closed from 23rd day of September, 1999 to 27th day of September, 1999 (both days inclusive).
- Dividend, when declared, will be payable to those members whose names appear on the Register of Members as on 27th September, 1999.





# DIRECTORS' REPORT TO THE SHAREHOLDERS

For the year ended on 31st March, 1999

Gentlemen,

Your Directors are pleased to submit their 59th Annual Report and Audited Statements of Accounts for the year ended on 31st March, 1999.

The Operating Results are as follows:

(Rs. in Lacs)
Gross Operating Profit 424.09
From which are deducted:

 Depreciation
 264.29

 Provision for Taxation
 18.00
 282.29

 141.80

To which are added:
Balance brought forward
from last year 62.82
Provision for taxation
(prior years) written back 141.09 203.9

(prior years) written back 141.09 203.91 345.71

Which the Directors propose to appropriate as under:

Proposed Dividend on 43,20,000 Equity Shares

© Re. 1 per share 43.20

Tax on Distributed Profit 4.75

Transfer to

General Reserve 100.00 147.95

Balance carried forward to

next year <u>197.76</u>

In the given milieu of recession ridden economy, the industry's problems during the year under review were compounded on account of qualitative setback to domestic cotton crop, new low output of short staple varieties, indolent market conditions and generally unremunerative operations.

A larger carryover of rather inferior quality Cotton stock for the current season is hardly worth a solace as the indifferent monsoon behaviour this year over the main cotton growing areas threatens a further quantitative shrinkage of output.

On the other hand, relief aspirations of Cotton yarn business and Fabric business in the Mills sector of the Industry, remaining bitten by a perverted fiscal bug for long, have been further shattered by the introduction of the stenter-chamber based compounded Excise duty in December 1998, which quite palpably operates against it with a brute discrimination vis-a-vis the mighty sector called Independent Processors.

In the perspective of a free international trade regime on which the national economy is zeroed in, the Industry has no time to lose for equipping itself. In these circumstances its survival hopes are pinned to a great extent on the promised Technology Upgradation Fund Scheme (TUFS). The least therefore it earnestly expects from the FI's concerned and the Govt. of India, is a pragmatic approach to and a hasslefree operation of the same in letter and spirit. There are still some grey areas of the scheme which deserve to be addressed to make it meet the desired ends. Your directors modestly believe, the Company should show an improved performance in the current year.

#### **Energy Conservation**

Company's dependence on own generation of power in preference to supply thereof from the State Board was and is being continued. Encouraged by the savings achieved by replacement of the traditional Aluminium Blade supply air fans by the FRP fans, the exercise has since been completed all over the installation. In the lighting system Beblec P-20 energy saving devices are being installed.

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 are given in the Annexure hereto which forms part of this Report.

## **Public Deposits**

The Company had Public Deposits aggregating to Rs. 290.34 lacs as on 31st March, 1999. This included Rs. 28,000/relating to two depositors which by then had matured for repayment but remained unclaimed. The Company has complied with all the statutory requirements in connection with the Public Deposits.

## Insurances

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

# Particulars of Employees

A 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.

# Y2K (Year 2000)

The hardware in use at the Company have already been made Y2K Compliant. Expenditure incurred during the Year 1998-99 for replacement of the same is Rs. 4.91 Lacs which inter alia ensures Y2K Compliance. The programs in use are all recent ones developed in house and are free from Y2K bug.

#### **Directors**

In accordance with the articles of Association of the Company, Shri SR Mohta retires from the Board of Directors by rotation and being eligible offers himself for reappointment.

#### **Auditors**

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

CALCUTTA 3rd September, 1999 On behalf of the Board AL MAHESHWARI Managing Director

### PARTICULARS OF EMPLOYEES U/S 217 (2A) OF THE COMPANIES ACT, 1956 FORMING PART OF THE DIRECTORS' REPORT

SI. No.	Name	Designation & Nature of Duties	Remunera- tion received Rs. In lacs	Qualifica- tions	Experie- nce in years	Date of commence- ment of employment	Age	Last Employment held Name of Concern (Designation)
1.	Shri Bangur LN	Chairman & Managing Director	13.43	B.Com.	29	11-08-93	50	<del>_</del>
2.	Shri Maheshwari AL	Managing Director	7.77	B.Com. F.C.A.	30	26-10-83	53	Indian Rayons Corpn. Ltd., Mumbal (Sr. Vice President)

#### NOTE:

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.

CALCUTTA 3rd September, 1999 On behalf of the Board

AL MAHESHWARI

Managing Director



### ANNEXURE TO DIRECTORS' REPORT

INFORMATION AS 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

(1) Electricity (a) Purchased Units ('000 Units) 23,910 21,17  Total Amount ('000 Rs.) 80,028 68,8  Rate/Unit (Rs.) 3.35 3.3  (b) Own Generation through Diesel Generators Units ('000 Units) 16,171 16,63	ar 98
Total Amount ('000 Rs.) 80,028 68,8  Rate/Unit (Rs.) 3.35 3.3  (b) Own Generation through    Diesel Generators    Units ('000 Units) 16,171 16,63	
Rate/Unit (Rs.) 3.35 3.3  (b) Own Generation through Diesel Generators Units ('000 Units) 16,171 16,63	′3
(b) Own Generation through Diesel Generators Units ('000 Units) 16,171 16,65	7
Diesel Generators Units ('000 Units) 16,171 16,69	25
•	
and the second of the second o	30
Units per Ltr. of Diesel Oil 3.71 3.6	8
Cost/Unit (Rs.) 2.47 2.5	38
(2) Coal Grade 'B' (Used in Boilers for generation of Steam for steaming Yarn & Fabrics) Quantity (Tonnes) 17,005 15,14	16
Total Cost ('000 Rs.) 25,207 24,02	
Donont Countries to the	
Average Rate (Rs. per Tonne) 1,482.33 1,586.2	
	IL
(4) Other/Internal Generation NIL N	IL
B. CONSUMPTION PER UNIT OF PRODUCTION	
(1) Electricity (Units) Fabrics 921.20 768.4 (per Thousand Mtrs.)	15
Yarn <b>2,398.83</b> 2,296.7 (per Metric Tonne)	′3
(2) Furnace Oil NIL N	۱Ļ
(3) Coal Grade 'B' Fabrics 0.89 0.7 (Tonnes) (per Thousand Mtrs.)	'4
Yarn 0.24 0.2 (per Metric Tonne)	2:2

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 variables that go into computations as above, variations are inescapable.

# FORM 'B'

#### FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

#### RESEARCH AND DEVELOPMENT (R & D)

 Specific areas in which R & D carried out by the Company and benefits derived as a result thereof: The in-house research & development efforts at present are directed to process control and maintaining quality standards of the existing products through a reasonably equipped Standards Quality Control Cell and a Chemical Laboratory.

2. Future plan of action:

Product upgradation effort in Company's yarn business for diversifying into yarns of better value has been in process.

3. Expenditure on R & D:

Not accounted for separately.

- Technology absorption, adaptation and innovation:
  - 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.

 Activities relating to exports; initiatives taken to increase exports; developments of new export markets for products and services, and export plan : As reported earlier the management endeavour for selective product quality upgradation is in process. It would still take about a couple of years for exports to start on regular basis.

- Total foreign exchange earnings & outgo (1998-99)
  - (i) Foreign exchange earnings
  - (ii) Foreign exchange outgo

Nil

Rs. 0.38 Lacs.

CALCUTTA 3rd September, 1999 On behalf of the Board AL MAHESHWARI Managing Director

## **AUDITORS' REPORT**

To the Shareholders

We have audited the attached Balance Sheet of MAHARAJA SHREE UMAID MILLS LIMITED, JAIPUR as at 31st March, 1999 and the attached Profit & Loss Account for the year ended on that date and report that:

- As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- Further to our comments in the annexure referred to in para 1 above we report that :
  - (a) 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.
  - (b) In our opinion, proper books of account, as required by Law, have been kept by the Company so far as appears from our examination of the books.
  - (c) The Balance Sheet and Profit & Loss Account are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet and the Profit and Loss Account complies with the mandatory Accounting Standards referred in Section 211 (3c) of the Companies Act, 1956.
  - (e) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit & Loss Account read together with the notes thereon and schedule 20, give the information as required by the Companies Act, 1956, in the manner so required and give a true and fair view:

- (i) In the case of Balance Sheet, the state of affairs of the Company as at 31st March, 1999.
- (ii) In the case of Profit & Loss Account, of the profit of the Company for the year ended on that date.

MC JAIN, F.C.A. Partner M/s BD GARGIEYA & CO.

CALCUTTA 3rd September, 1999

# REFERRED TO IN

Chartered Accountants

# PARAGRAPH (1) OF OUR REPORT OF EVEN DATE

- 1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. All the assets (except the Plant & Machinery having book value of Rs. 154.83 lacs, belonging to the Company, lying installed at DML, Calcutta which are in possession of the Receiver appointed at the instance of the Company, by the High Court of Calcutta) have been physically verified by the Management during the year. However, no material discrepancies have been noticed.
- 2. None of the fixed assets have been revalued during the year.
- The stocks of finished goods, stores, spare parts and raw materials have been physically verified during the year by the Management.
   In our opinion, the frequency of verification is reasonable.
- 4. The procedures of physical verification of stocks followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- The discrepancies noticed on verification between the physical stocks and the book records were not material.