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ANNUAL REPORT 1999-2000

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

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Maharaja Shree
UMAID MILLS LIMITED

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 60th 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 *30th day of September, 2000 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, 2000 and the* Profit & Loss Account for the year ended on that date.
2. *To note the payment of interim dividend on shares.*
3. To appoint a Director in place of Smt. Alka Bangur, who retires by rotation and being eligible, offers herself *for reappointment.*
4. To appoint Auditors for the current year and to fix their remuneration.

On behalf of the Board
AL MAHESHWARI
Managing Director

JAIPUR
1st Sept., 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. A Proxy form in order to be effective, must reach the Company not less than 48 hours before the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 26th day of September, 2000 to 30th day of September, 2000 (both days inclusive).

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Maharaja Shree
UMAID MILLS LIMITED

DIRECTORS' REPORT TO THE SHAREHOLDERS

For the year ended on 31st March, 2000

Gentlemen,

Your Directors are pleased to submit their 60th Annual Report and Audited Statements of Accounts for the year ended on 31st March, 2000.

The Operating Results are as follows :

(Rs. in Lacs)

		Year ended on March 31, 2000	Year ended on March 31, 1999
Gross Operating Profit		**777.17**	424.09
From which are deducted :			
Depreciation	**315.43**		264.29
Provision for Taxation	**92.00**	**407.43**	18.00
		369.74	141.80
To which are added :			
Balance brought forward from last year	**197.76**		62.82
Provision for taxation (prior years) written back	**12.50**	**210.26**	141.09
		580.00	345.71
Which the Directors propose to appropriate as under :			
Dividend (Interim Dividend on 43,20,000 Equity Shares @ Re. 1 per share already paid is proposed to be the Final Dividend)	**43.20**		43.20
Tax on Distributed Profit	**4.75**		4.75
Transfer to General Reserve	**206.75**	**254.70**	100.00
Balance carried forward to next year		**325.30**	197.76

For the industry as a whole it has been a year of a further slide in the domestic crop of cotton, mixed experience of high imports, and high range of price movements in the domestic aswell as international markets. The demand recession for Textiles continued and operational viability couldnot significantly improve. In case of long staple and mainstream medium staple varieties the prices have substantially firmed up lately with no corresponding effect as yet on product realisation.

In the above background your company has been able to show better performance, which it hopes to maintain in the current year.

The modernisation plan of Rs. 47.60 Crores under TUFS is under implementations for which a sum of Rs. 9.00 Crores has been incurred so far. The proposed HFO based

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3.8 MW MAN B&W Diesel A/S, Holeby, Denmark power generation plant for captive use should be operational by the end of the current year.

Energy Conservation

Further efforts were continued during the year for conservation of energy for the Humidification and Ventilation Plants by change of Aluminum Fans to FRP Fans. Change of transformers envisaged in the current year, should help conserve power by reduction in losses.

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. 313.44 lacs as on 31st March, 2000. All the statutory requirements in connection with the same are complied with by the Company.

Insurances

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

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)

All the required measures for Y2K Compliance which included an expenditure of Rs. 5.39 Lacs during the year under review on replacement of hardware and systems, were duly taken.The Company's operations have had no adverse effect on account of the Y2K bug.

Directors

In accordance with the articles of Association of the Company, Smt. Alka Bangur retires by rotation from the Board of Directors, and being eligible offers herself for reappointment.

Auditors

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

On behalf of the Board
LN BANGUR
Chairman & Managing Director

CALCUTTA
4th September, 2000

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Maharaja Shree
UMAID MILLS LIMITED

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

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)
1.	Shri Bangur LN	Chairman & Managing Director	18.54	B.Com.	30	11-08-93	51	—
2.	Shri Maheshwari AL	Managing Director	8.13	B.Com. F.C.A.	31	26-10-83	54	Indian Rayons Corpn. Ltd., Mumbai (Sr. Vice President)

NOTE :

Remuneration includes salary, allowances, Company's contribution to Provident Fund, value of rent free accomodation, 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.

On behalf of the Board
LN BANGUR
Chairman & Managing Director

CALCUTTA
4th September, 2000

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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

		Current Year 1999-2000	Previous Year 1998-99
A. POWER & FUEL CONSUMPTION :			
(1) Electricity			
(a) Purchased Units	('000 Units)	**23,307**	23,910
Total Amount	('000 Rs.)	**88,246**	80,028
Rate/Unit	(Rs.)	**3.79**	3.35
(b) Own Generation through Diesel Generators Units	('000 Units)	**19,280**	16,171
Units per Ltr. of Diesel Oil		**3.66**	3.71
Cost/Unit	(Rs.)	**2.90**	2.47
(2) Coal Grade 'B' (Used in Boilers for generation of Steam for steaming Yarn & Fabrics)			
Quantity	(Tonnes)	**17,537**	17,005
Total Cost	('000 Rs.)	**26,522**	25,207
Average Rate	(Rs. per Tonne)	**1,512.35**	1,482.33
(3) Furnace Oil		**NIL**	NIL
(4) Other/Internal Generation		**NIL**	NIL
B. CONSUMPTION PER UNIT OF PRODUCTION			
(1) Electricity (Units)	Fabrics (per Thousand Mtrs.)	**803.62**	921.20
	Yarn (per Metric Tonne)	**2,421.52**	2,398.83
(2) Furnace Oil		**NIL**	NIL
(3) Coal Grade 'B' (Tonnes)	Fabrics (per Thousand Mtrs.)	**0.83**	0.89
	Yarn (per Metric Tonne)	**0.23**	0.24

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.

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Maharaja Shree
UMAID MILLS LIMITED

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 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.
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 :	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.
6. Total foreign exchange earnings & outgo (1999-2000)	
(i) Foreign exchange earnings	Nil
(ii) Foreign exchange outgo	Rs. 0.26 Lacs.

On behalf of the Board
LN BANGUR
Chairman & Managing Director

CALCUTTA
4th September, 2000

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AUDITORS' REPORT

To the Shareholders

We have audited the attached Balance Sheet of MAHARAJA SHREE UMAID MILLS LIMITED, JAIPUR as at 31st March, 2000 and the attached Profit & Loss Account for the year ended on that date and report that :

1. 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.
2. 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, 2000.
   (ii) In the case of Profit & Loss Account, of the profit of the Company for the year ended on that date.

MC JAIN,
Partner
M/s BD GARGIEYA & CO.
Chartered Accountants

CALCUTTA
4th September, 2000

ANNEXURE REFERRED TO IN 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 original 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.
3. The stocks of finished goods, stock in process, 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.

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