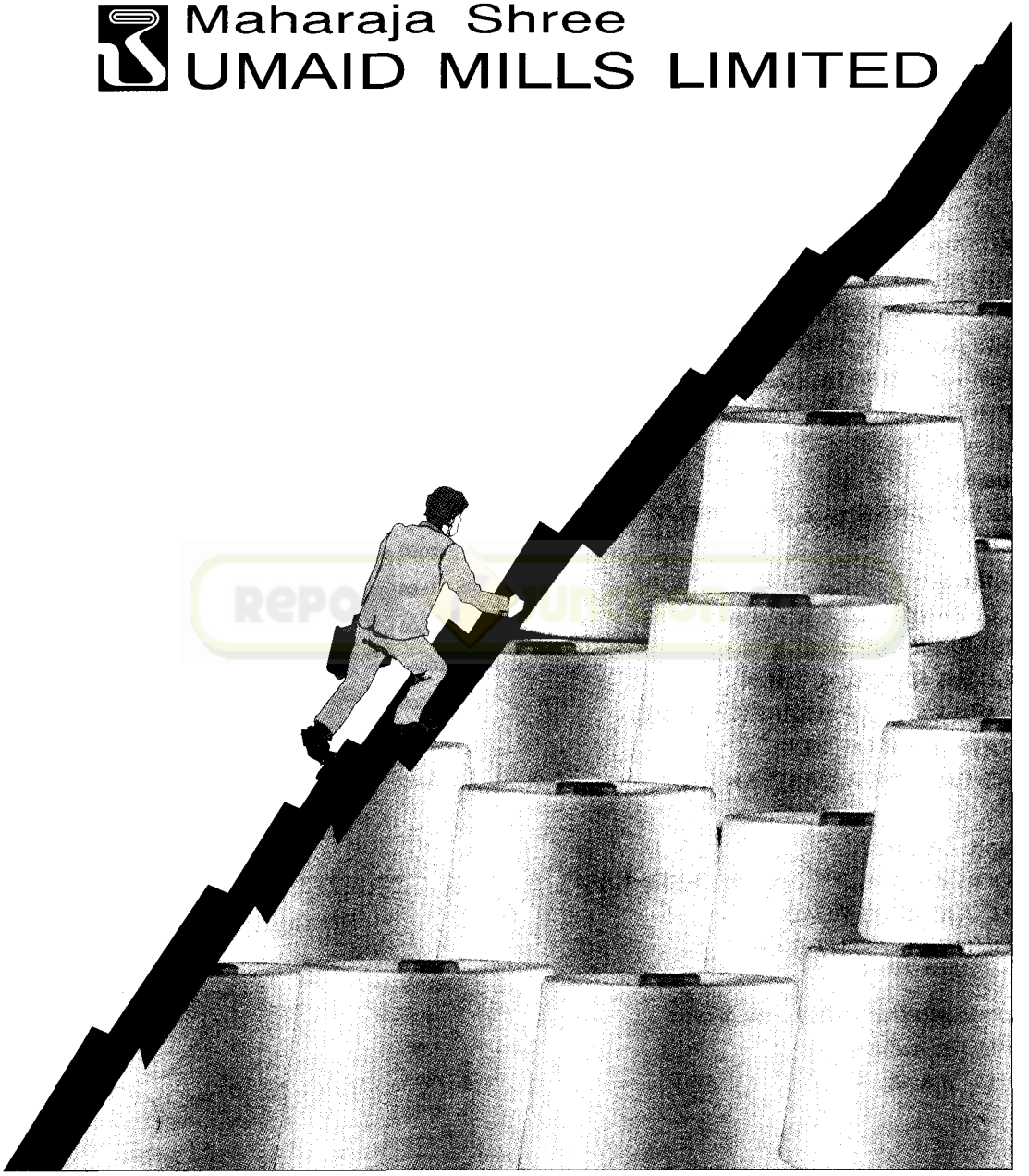
SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

Maharaja Shree UMAID MILLS LIMITED



69th ANNUAL REPORT
2008-09

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

Maharaja Shree UMAID MILLS LIMITED

Board of Directors :

SHRI LN BANGUR, *Chairman & Managing Director*
SHRI GOVIND SHARDA, *Whole-time Director*
SMT ALKA BANGUR, *Director*
SHRI SS KOTHARI, *Director*
SHRI CHANDRAVADAN DESAI, *Director*
SHRI AMITAV KOTHARI, *Director*
SHRI AMIT MEHTA, *Director*
SHRI GR AGARWAL, *Director*

Auditors :

M/s BD GARGIEYA & CO., JAIPUR

Bankers :

ICICI BANK LTD.
IDBI BANK LTD.
PUNJAB NATIONAL BANK
STATE BANK OF BIKANER & JAIPUR
STATE BANK OF INDIA
THE BANK OF RAJASTHAN LTD.

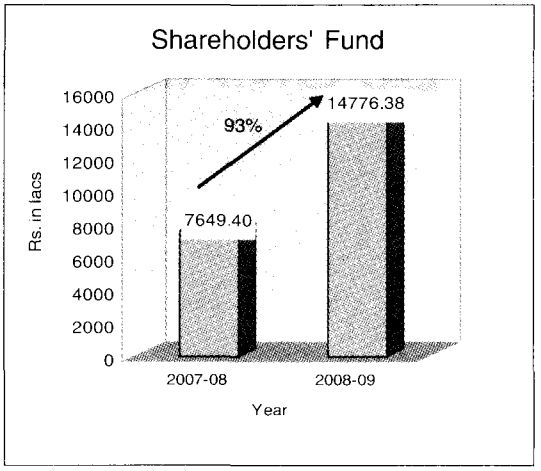
Regd. Office :

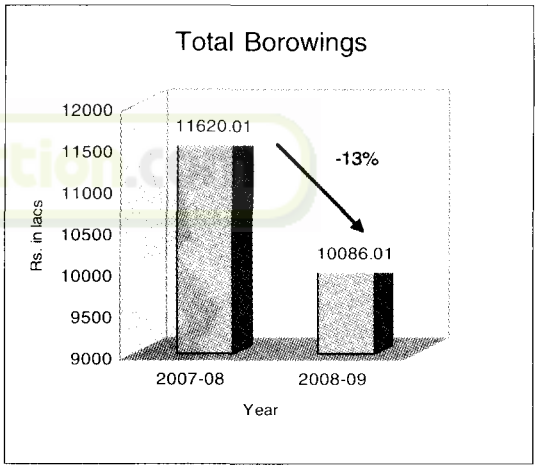
ROOM NO. 706, 7TH FLOOR, "KRISHNA"
224, AJC BOSE ROAD
KOLKATA – 700017 (W.B.)

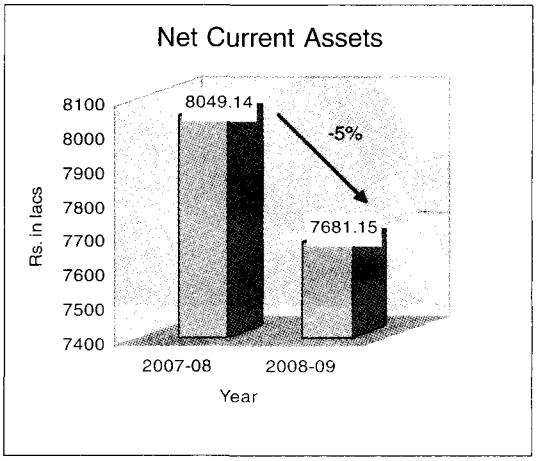
Administrative Office and Works :

PALI (Rajasthan)
PIN – 306 401

BUILDING STRENGTH





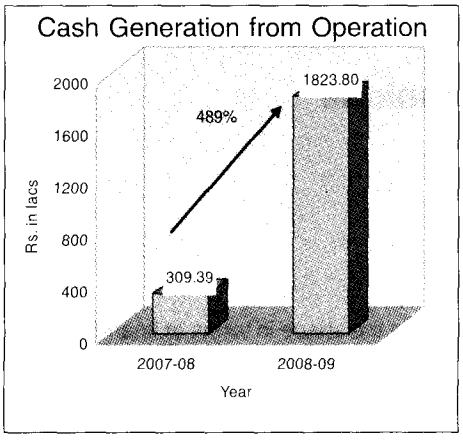


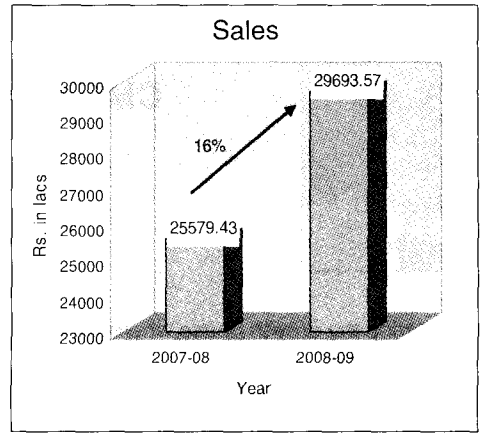
www.reportjunction.com

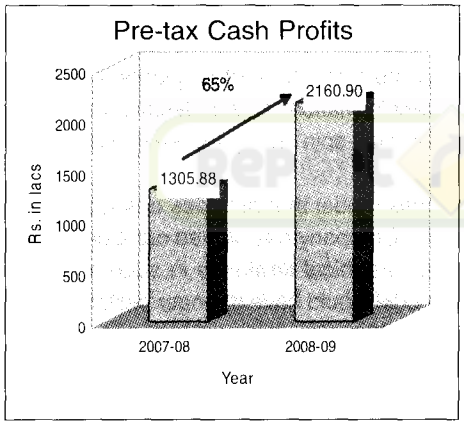
SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

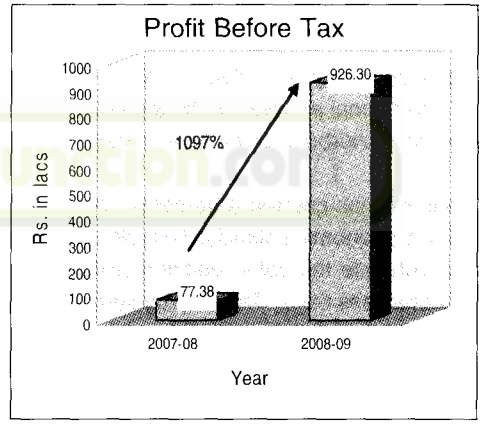
Maharaja Shree
UMAID MILLS LIMITED

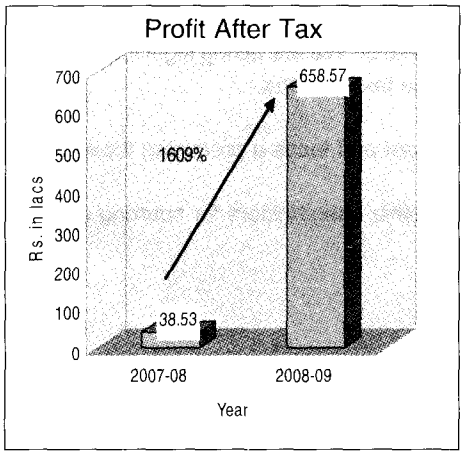
BUILDING STRENGTH

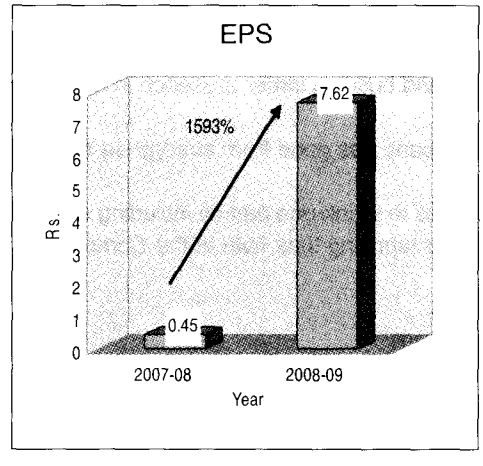












www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

CMD's Communiqué

We are entering the growth phase wherein our strategy is taking the shape in terms of financial benefits for all the stakeholders.

The year gone by has seen us put up a solid progress across our business together with signs of a stronger growth coming through in future years. It has been one of the landmark years in the Company's growth trajectory with significant achievements endorsing MSUM's reputation as a leading textile player.

Your Company made excellent progress in the execution of the first phase of its planned strategies for growth, operational excellence, financial performance and transformation. This is despite the fact that the global economic turbulence had sent most of the textile players in tail-spin during the previous financial year.

The Company has created a domestic market centric business model that provides a hedge against the international economic volatility. To build upon its strength, the Company has carved out a detailed plan of action to enhance the value addition while balancing the geographical territories in such a manner that mitigates business risks. The step by step execution of the model would have stronger performance pillars to substantiate its long-term growth.

We intend to position the Company amongst the most valuable textile players in the chosen business verticals. We would be investing in creating internal competence to build the organisation to rank amongst the best places to perform.

The year that lies ahead is expected to yield better financial results. We are taking significant initiatives for creating and building larger presence in the value chain of the textile arena.

The Company has gone from strength-to-strength over the past and faces a promising future ahead.

I would like to thank one and all including our investors and other stakeholders for spurring us to perform better and reposing their faith in the Company.

LN BANGUR
Chairman and Managing Director

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

Maharaja Shree
UMAID MILLS LIMITED

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 69th Annual General Meeting of the members of MAHARAJA SHREE UMAID MILLS LIMITED will be held at Sitaram Seksaria Auditorium of Bhartiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata-700 017 on Saturday, the 19th day of September, 2009 at 11.30 A.M. to transact the following business :

Ordinary Business

1. To receive, consider and adopt the Directors' Report, the Audited Balance Sheet as at 31st March, 2009 and the Profit and Loss Account for the year ended on that date.

2. To declare dividend.

3. To appoint a Director in place of Smt. Alka Bangur, who retires by rotation, and being eligible, offers herself for re-appointment.

4. To appoint a Director in place of Shri Chandravadan Desai, who retires by rotation, and being eligible, offers himself for re-appointment.

5. To appoint Auditors for the current year and to fix their remuneration.

Special Business

6. To consider and, if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION :

   "RESOLVED THAT Shri Amit Mehta, who was appointed as an Additional Director of the Company with effect from 30th September, 2008 by the Board of Directors under Article 92 of the Article of Association 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 under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

7. To consider and, if thought fit, to pass, with or without modification, the following resolution as an ORDINARY RESOLUTION :

   "RESOLVED THAT Shri GR Agarwal, who was appointed as an Additional Director of the Company with effect from 27th March, 2009 by the Board of Directors under Article 92 of the Article of Association 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 under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

For and on behalf of the Board
Govind Sharda
Whole-time Director

Kolkata
30th July, 2009

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

NOTES

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under item Nos. 6 & 7 above is annexed hereto and form 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 Form in order to be effective, must reach the Company not less than 48 hours before the meeting.
3. The Register of Members and Share Transfer Book of the Company will remain closed from Monday, the 14th day of September, 2009 to Saturday, the 19th day of September, 2009 (both days inclusive).
4. Dividend, when declared, will be payable to those members whose names appear in the Register of Members as on 19th day of September, 2009.
5. Information to Shareholders as prescribed in clause 49 of Listing Agreement in respect of appointment/reappointment as Directors, is given at Annexure-A attached to this Notice.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 ANNEXED TO THE NOTICE CONVENING THE 69TH ANNUAL GENERAL MEETING TO BE HELD ON SATURDAY, THE 19TH DAY OF SEPTEMBER 2009.

Item No. 6

Shri Amit Mehta has been appointed by the Board, in its meeting held on 30th September, 2008, as an Additional Director 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. Shri Amit Mehta holds his office as Additional Director till the ensuing 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 candidature of Shri Amit Mehta for appointment as a Director of the Company.

The Board recommends the resolution for approval by the members.

None of the Directors, except Shri Amit Mehta is interested or concerned in the proposed resolution.

Item No. 7

Shri GR Agarwal has been appointed by the Board, in its meeting held on 27th March, 2009, as an Additional Director 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. Shri GR Agarwal holds his office as Additional Director till the ensuing 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 candidature of Shri GR Agarwal for appointment as a Director of the Company.

The Board recommends the resolution for approval by the members.

None of the Directors, except Shri GR Agarwal is interested or concerned in the proposed resolution.

For and on behalf of the Board
Govind Sharda
Whole-time Director

Kolkata
30th July, 2009

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

ANNEXURE - 'A' ATTACHED TO THE NOTICE DATED 30TH JULY, 2009

(as required under clause 49 of the Listing Agreement)

Information on appointment/re-appointment of Directors

Particulars	Re-appointment		Appointment	
Name	Smt. Alka Bangur	Shri Chandravadan Desai	Shri Amit Mehta	Shri GR Agarwal
Date of Birth & Age	29.11.1954 54 Yrs.	10.12.1949 59 Yrs.	08.04.1980 29 Yrs.	15.08.1945 63 Yrs.
Qualifications	M.B.A.	B.Com.	B.Com., M.Com., MIIS, ACTM, ACA	B.Sc., B.Text., M.Tech., PGDBM
Expertise in specific functional areas	Industrialist	Financial Management	Business and Financial Management	Textile Technology & Engineering
Directorship held in other public companies	1. The Peria Karamalai Tea & Produce Co. Ltd. 2. The Andhra Pradesh Paper Mills Ltd.	None	MSP Steel & Power Ltd.	None

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

Maharaja Shree
UMAID MILLS LIMITED

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure to present the 69th Annual Report together with the Audited Accounts of the Company for the year ended on 31st March 2009.

The Financial Results are given hereunder :

(Rs. in Lacs)

Perticulars	**Year ended on 31.03.2009**	Year ended on 31.03.2008
Net Sales / Income	**29693.57**	25579.43
Gross Profit before depreciation and interest	**2587.21**	2136.41
Interest	**426.31**	830.53
Cash Profit before taxes	**2160.90**	1305.88
Depreciation	**1234.60**	1228.50
Profit before taxes	**926.30**	77.38
Provision for taxes - Current Tax	**382.47**	18.56
- Fringe Benefit Tax	**4.60**	5.25
- Deferred Tax	**(119.34)**	15.04
Profit after tax for the period	**658.57**	38.53
Balance brought forward from previous year	**376.13**	413.41
Profit available for appropriation	**1034.70**	451.94
Appropriations		
Proposed Dividend	**108.00**	64.80
Tax on Proposed Dividend	**18.35**	11.01
Transferred to General Reserve	**50.00**	
Taxes of earlier year(s)	**61.38**	
Balance carried to Balance Sheet	**796.97**	376.13

Business

The textile industry has not been in the best of the financial shapes during the year under review. However, the strong business associate networking and the brand equity that the Company has built over the period of last 6 decades has enabled it to have a sustainable market presence with sales volumes having grown by 8% during the period with a better product mix having higher value growth.

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

The mounting pressure on costs has been confronted with enhanced value addition to register the profitable growth.

Dividend

Your Directors are pleased to recommend payment of dividend of Rs.1.25 per equity share (previous year: Re 0.75) for the year ended on 31st March 2009 on all the fully paid up shares of Rs 10 each. The total outgo would be to the tune of Rs. 126.35 lacs (PY: Rs 75.81 lacs) including Corporate Dividend Tax. The Company intends to save resources in view of planned expansion/upgradation of its manufacturing capabilities.

New Business Development

Existing business of manufacturing yarn and fabrics offer significant growth opportunities, being the backbone of the textile industry. However, an upward movement in the value chain would generate a significantly higher returns to the shareholders over the period of time. Your Company's management team has made a beginning in this regard during the current year.

The Company is also evaluating the proposal of utilising the surplus land available with it in more remunerative manner.

Management Discussion and Analysis

The detailed analysis is appended herewith and form part of the Directors' Report.

Corporate Governance

A compliance report on Corporate Governance has been annexed as part of the Annual Report along with Auditors' Certificate in compliance with Clause 49 of the Listing Agreement with the Stock Exchanges.

Listing / Delisting of the Equity Shares

The equity shares of your Company are listed at Bombay Stock Exchange and the Calcutta Stock Exchange. The annual listing fees have been paid to these Stock Exchanges and there is no intent of the management to delist the shares from either of the Stock Exchanges.

Directors

Shri Amit Mehta and Shri GR Agarwal were appointed as Additional Directors of the Company since the last General Meeting. The Board recommends for their appointment.

Smt. Alka Bangur and Shri Chandravadan Desai retire by rotation and being eligible, offer themselves for re-appointment. The Board recommends their appointment at the ensuing Annual General Meeting.

Shri AL Maheshwari resigned as Managing Director and he was relieved from the services of the Company with effect from 11th August 2008. The Board places on record its warm appreciation for the services rendered by him during his tenure.

Public Deposits

There are no public deposits with the Company.

Particulars of Employees

Particulars of employees under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are required to be set out in Annexure to this Report. However, as per the provisions of Section 219(1)(b)(iv) of Companies Act, 1956, the Report and the accounts are being sent to all the members of the Company excluding the aforesaid information. Any member interested in obtaining such particulars may write to the Company Secretary.

Energy Conservation, Technology Absorption and Foreign Earning/Outgo

The information required under the provision of Section 217(1)(e) of the Companies Act is set out in the annexure to the Directors' report.

Auditors

M/s BD Gargieya & Co., Chartered Accountants who are the Statutory Auditors of the Company, hold office, in accordance with the provisions of the Companies Act, 1956 upto the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

re-appointment. The Company has received letter from them giving their consent to act as auditors of the Company and stating that their re-appointment, if made, would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956. Your Directors recommend their re-appointment.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based upon the representations received from the Operating Management, confirm that:

i. in the preparation of the Annual Accounts for the year ending on 31st March 2009, the applicable accounting standards have been followed and there has been no material departure;

ii. appropriate accounting policies have been selected by them and applied the same consistently and made judgements 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 at 31st March 2009 and of its profits for the year ending on that date;

iii. proper and sufficient care has been taken by them for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

iv. the Annual Accounts for the period ended on 31st March 2009 have been prepared by them on a going concern basis.

Acknowledgement

The Directors express their gratitude to Financial Institutions, Banks and various other agencies for the co-operation extended to the Company. The Directors also take this opportunity to thank all business associates for the confidence reposed by them in the Company. The employees of the Company have contributed significantly to achieve the financial performance. The Directors take this opportunity of thanking them and hope that they will maintain their commitment to excel in the time to come.

For and on behalf of the Board
LN Bangur
Chairman and Managing Director

Kolkata
13th June 2009

www.reportjunction.com