



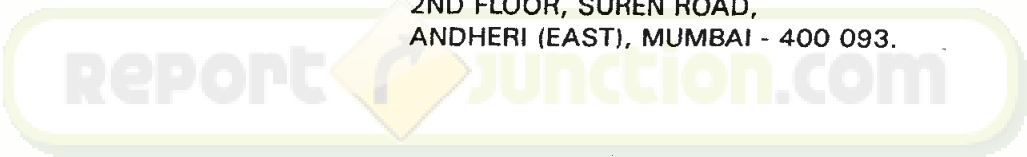
# **Millars India Limited**

(Formerly known as The Acme Manufacturing Co. Ltd.)

**Annual Report  
2001-2002**

**Millars India Limited**

<b>BOARD OF DIRECTORS</b>	ASHOK J. PATEL	Chairman
	ANAND J. VASHI	Directors
	VINOD N. JOSHI	
	R.S. MALVADE	
	Nominee (BOI)	
<b>PRESIDENT</b>	Lt. Gen. D.B. SINGH (Retd.)	
<b>AUDITORS</b>	SHAH & CO.	
<b>SOLICITORS</b>	GAGRAT & CO.	
<b>BANKERS</b>	BANK OF INDIA BANK OF MAHARASHTRA	
<b>REGISTERED OFFICE</b>	24, KURLA-KIROL ROAD, P. B. NO. 9208, GHATKOPAR (W), MUMBAI - 400 086.	
<b>REGISTRARS &amp; TRANSFER AGENTS</b>	IIT CORPORATE SERVICES LIMITED PROTOPRIMA CHAMBERS, 2ND FLOOR, SUREN ROAD, ANDHERI (EAST), MUMBAI - 400 093.	



**NOTICE**

NOTICE is hereby given that the EIGHTY SECOND ANNUAL GENERAL MEETING of the Members of Millars India Limited (formerly known as The Acme Manufacturing Co. Ltd.) will be held at Babasaheb Dahanukar Sabha Griha, 6th Floor, Oricon House, 12, K. Dubash Marg (Rampart Row), Fort, Mumbai - 400 023 on Monday, 30th September 2002 at 4.00 p.m. to transact the following business:

**ORDINARY BUSINESS:**

1. To consider and adopt the Audited Balance Sheet as at March 31, 2002 and the Profit and Loss Account for the year ended on that date along with reports of the Directors and Auditors thereon.
2. To appoint Director in place of Mr. Vinod N. Joshi who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

**By Order of the Board of Directors**

**Lt. Gen. D. B. Singh (Retd.)**  
**President**

Mumbai, 12th August, 2002

**Registered Office:**

24, Kurla-Kirol Road, P. B. No. 9208, Ghatkopar (W), Mumbai - 400 086.

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**Millars India Limited**

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**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. The instrument appointing a proxy should be deposited at the Registered Office of the Company not less than forty eight hours before the time fixed for the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 25th September, 2002 to 30th September, 2002 (both the days inclusive).
4. Mr. Vinod N. Joshi, was appointed as Director with effect from 25.07.1997. He was appointed as a Director liable to retire by rotation. Mr. Vinod N. Joshi is due to retire by rotation at the forth coming Annual General Meeting of the Company and being eligible offers himself for reappointment. Mr. Vinod N. Joshi is 48 years old and he is qualified as BE (Mechanical).

His Directorship with other Limited Company as on date are as follows:

Sr. No.	Name of the Company	Designation
1.	Ask Quality Consultancy Services Pvt. Ltd.	Managing Director
5.	All documents referred to in the accompanying Notice are open for inspection at the registered office of the Company on all working days between 11.00 a.m. to 1.00 p.m. upto the date of Annual General Meeting.	
6.	Members/proxies should bring the attendance slip duly filled in for attending the meeting.	
7.	Members who have multiple accounts in identical names or joint accounts in the same order are requested to send all the share certificate(s) to the Registrar & Transfer Agents, M/s. IIT Corporate Services Ltd., for consolidation of all such shareholdings into one account to facilitate better service. Members are also requested to notify the change, if any, in their address and also correspond in respect of any matter relating to their holding, to the Company's Register and Transfer Agents at the following address: IIT Corporate Services Limited, Protoprima Chambers, 2nd Floor, Suren Road, Andheri (E), Mumbai - 400 093.	
8.	Individual shareholder can now avail of the facility of nomination. The nominee shall be the person in whom all rights of transfer and/or amount payable in respect of the shares shall vest in the event of the death of the shareholder(s). A minor can be a nominee provided the name of the guardian is given in the Nomination Form. The facility of nomination is not available to non-individual shareholders such as societies, trusts, bodies corporate, partnership firms, Kartas of Hindu Undivided Families and holders of Powers of Attorney. For further details, please contact the Company's Secretarial Department.	
9.	The unclaimed dividends upto the year ended March 31, 1995 have been transferred to the General Revenue Account of the Central Government. Members who have a valid claim to any of the unclaimed dividends referred to above may claim the same from the Registrar of Companies, Maharashtra in the prescribed manner. In case any assistance is required, please write to our Registrars and Transfer Agents.	
10.	Members are requested to kindly bring their copies of Annual Report to the Meeting.	
11.	The Company's securities are listed on the following Stock Exchanges:	

Sr. No.	Name & Address of the Stock Exchange	Name of Security
1	The Stock Exchange, Mumbai Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.	Equity
2	The Stock Exchange, Ahmedabad, Kamdheni Complex, Opp. Sahajanand College, Panjara Pole, Ahmedabad - 380 015.	Equity

12. The Company has paid Annual Listing Fees to the above Stock Exchanges upto 31st March, 2003.

By Order of the Board of Directors

Lt. Gen. D. B. Singh (Retd.)  
President

Mumbai, 12th August, 2002

**Registered Office:**

24, Kuria-Kirol Road, P. B. No. 9208, Ghatkopar (W), Mumbai - 400 086.

**DIRECTORS' REPORT**

To the Members,

Your Directors present their Eighty Second Annual Report and the Audited Statement of Accounts for the year ended March 31, 2002.

**FINANCIAL RESULTS**

	<u>2001-2002</u> (Rs. In Lacs)	<u>2000-2001</u> (Rs. In Lacs)
Sales and other Income	741.74	674.59
Surplus on sale of Wadala Property	950.75	-
	<u>1692.49</u>	<u>674.59</u>
Profit/(Loss) before Interest, Depreciation & Taxation	251.09	(272.55)
Add: I) Interest	60.44	78.20
ii) Depreciation	25.29	30.30
iii) Taxation	-	-
Profit/(Loss) after interest, Depreciation and Taxation	<u>165.36</u>	<u>(381.05)</u>
Balance brought forward from the previous year	(1374.23)	( 993.18)
Balance Carried to Balance Sheet	<u>(1208.87)</u>	<u>(1374.23)</u>

**DIVIDEND**

In view of the accumulated losses, it has been decided not to recommend any dividend.

**OPERATIONS**

Sales and other income for the year ended March 31, 2002 at Rs. 741.75 lacs is 10% above previous years sales of Rs. 675 lacs.

The Rehabilitation Scheme was sanctioned by BIFR on April 18, 2001. However, the Company was able to resume production only in July 01 after receiving the sales proceeds of the Wadala property and reducing about 200 employees under the Voluntary Retirement Scheme.

**OUTLOOK**

The Construction Equipment Division was the main contributor to current years sales income. The Millars brand continuously commands a significant goodwill and acceptability in the market. The prospects for Millars concrete batching & mixing plants and transit mixers are bright as more and more infrastructure projects are taken up.

The Crane Division of our Company was slow to take-off reflecting the continuing recession in the capital goods industry. Competition also continues to be very active. In view of low profit margins due to competition and high cost the crane manufacturing activity is proposed to be gradually shifted to Karamsad, Gujarat.

The Project Division, which mainly supplies Hydrogen Plants, has successfully completed most pending projects. Parts and Services are continuing to be offered to the existing customers.

**B.I.F.R.**

As per sanctioned Rehabilitation Scheme by BIFR following steps has been taken while implementing the same during the year.

- I. Members of the Consortium viz. Bank of India and Bank of Maharashtra has given Working Capital Term Loan (WCTL) of Rs. 221.56 Lacs and Funded Interest Term Loan (FITL) of Rs. 46.67 Lacs.
- II. Outstanding Term Loan from Development Credit Bank Limited has been repaid by disposing off Thirty Five Thousand equity shares of GMM Pfaudler Limited (each of face value of Rs. 10/-) and balance amount has been contributed by Promoters for the repayment of said loan.

**Millars India Limited****4**

- III. The Company has constituted Management Committee to review on monthly basis the operations of the Company in all respects and closely monitor the implementation of revival scheme.
- IV. Company has appointed M/s. C.C. Chokshi & Co. Chartered Accountants as a Concurrent Auditors with concurrence of Monitoring Agency (MA) viz. Bank of India to prepare periodical reports on implementation of Revival Scheme.
- V. Promoters have brought in their contribution in conformity with Sanctioned Scheme.

**DIRECTORS**

Mr. Vinod N. Joshi, a Director of the Company retires by rotation and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

**INSURANCE**

The Assets of the Company have been insured against the risk of flood, fire, riots and malicious damages, etc.

**PARTICULARS OF EMPLOYEES**

As there are no employees getting remuneration exceeding the prescribed limits, particulars of employees as required under Section 217(2A) of the Companies Act, 1956 as amended, read with the Companies (Particulars of Employees) Rules, 1975 is not given.

**FIXED DEPOSITS**

The total amount of Fixed Deposit as on 31st March, 2002 was Rs. 99.15 Lacs. All depositors have consented for reduced rate of interest and such interest has been paid upto 31st March, 2002. The Fixed Deposits will be repaid by the Company in conformity with the Rehabilitation Scheme sanctioned by BIFR.

**DEMATERIALISATION OF SHARES**

Your Company has entered into a Tripartite Agreement with the Central Depository Services (India) Ltd. (CDSL) and the Registrars I.I.T. Corporate Services Ltd., for dematerialisation of your Company's shares in accordance with the provisions of the Depositories Act, 1996. The members now have the option to hold the demat shares through CDSL.

**CORPORATE GOVERNANCE**

As per the amended provisions of the Listing Agreement with Stock Exchange your Company is required to comply with the requirement of the Corporate Governance and as per the amended provisions of the Listing Agreement with both the Stock Exchanges the Company has formed Audit Committee consisting of three Independent Directors viz. Mr. Anand J. Vashi, Mr. Vinod N. Joshi and Mr. R.S. Malvade. Company also formed Shareholders Grievance Committee consisting of three independent Directors viz. Mr. Anand J. Vashi, Mr. Vinod N. Joshi and Mr. R.S. Malvade.

**RESPONSIBILITY STATEMENT**

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors confirm:

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) that they have selected such accounting policies and applied them 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, 2002 and of the profit of the Company for the period from 1st April, 2001 to 31st March, 2002;
- c) that they have taken proper and sufficient care 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;
- d) that they have prepared the annual accounts on a going concern basis.

**AUDITORS**

The notes referred to by the Auditors in their report to the Shareholders, are in the opinion of the Board, self-explanatory.

Messrs. Shah & Co. Chartered Accountants, Mumbai, retire at the ensuing Annual General Meeting. The Company has received a certificate pursuant to the provisions of Section 224 (1B) of the Companies Act, 1956, regarding the eligibility for re-appointment of Messrs. Shah & Co. And your Directors recommended their re-appointment.

**ACKNOWLEDGEMENTS**

The Board takes this opportunity to express its whole-hearted appreciation for the dedicated service and contribution made by Employees. The Board also wishes to place on record the sustained support extended to the Company by its Bankers, its Monitoring Agency and Shareholders.

On behalf of the Board of Directors

Ashok J. Patel  
Chairman

Mumbai: 12th August, 2002.

**ANNEXURE TO THE DIRECTORS' REPORT**

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

**A. CONSERVATION OF ENERGY**

In addition to steps already taken earlier the Company is constantly trying to reduce the Energy consumption.

The information required under Rule 2 of Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 for Conservation of energy in Form - A is not given as the Company does not fall under the category of industries listed in Schedule annexed to Form-A.

**B. TECHNOLOGY ABSORPTION**

Research and Development

1. The Company continues its efforts by internal upgradation programme on Research and Development.
2. Computers are being used with latest software for design calculation in process engineering, drafting packages etc.
3. Particulars of imported Technology (imported during the last five years)

Technology Imported (Product)	Year of Import	Has Technology been fully absorbed	If not fully absorbed areas where this has not taken place, reason therefore future plans of action
-	-	-	-

**C. FOREIGN EXCHANGE**

The particulars of foreign exchange inflow and outflow are given in the Schedule 12 forming part of the Financial Statement.

On behalf of the Board of Directors

Ashok J. Patel  
Chairman

Mumbai: 12th August, 2002.

**AUDITORS' REPORT**

To The Member of  
Millars India Ltd.,

We have audited the attached Balance Sheet of **MILLARS INDIA LIMITED (Formerly known as THE ACME MANUFACTURING COMPANY LIMITED)** as at 31st March, 2002 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Manufacturing and Other Companies[Auditors' Report] Order, 1988 issued by the Central Government of India in terms of Sub section [4A] of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.
2. Further to our comments in the Annexure referred to above, we state 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 the Profit and Loss Account referred to in this report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet and the Profit and Loss Account dealt with by this report comply with the accounting standards referred to in section 211(3C) of the Companies Act, 1956 except for AS-22 "Accounting for Taxes on Income" The Company has not accounted for its Deferred Tax Asset as on 1st April, 2001 and for the year 2001-2002 as referred to in Note No.15 of Schedule 12.
  - e) On the basis of the written representation received from the Directors as on 31st March, 2002 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2002 from being appointed as director in terms of clause [g] of sub section [1] of section 274 of the Companies Act, 1956.
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the Profit & Loss Account subject to note No.9[b] in respect of Non-provision of interest on overdue sums to SSI undertakings and read together with the other notes in Schedule 12 give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:



- i] In the case of the Balance Sheet of the State of affairs of the Company as at 31st March, 2002.

AND

- ii] In the case of the Profit and Loss Account of the "PROFIT" of the Company for the year ended on that date.

For SHAH & COMPANY  
Chartered Accountants

Indlal H. Shah  
Partner

Mumbai, 12th August, 2002

#### **ANNEXURE TO THE AUDITORS' REPORT**

(Referred to in Paragraph [1] of our report of even date.)

- i. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. As explained to us, most of the assets have been physically verified by the Management during the year. We are informed that no material discrepancies have been noticed on such verification.
- ii. None of the Fixed Assets have been revalued during the year.
- iii. The Stocks of finished goods, stores, spares and raw materials other than the goods lying with third parties for job works and at sites have been physically verified by the Management at the end of the year or after the close of the year.
- iv. The procedure 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.
- v. The discrepancies noticed on physical verification of stocks as compared to book records were not material and the same have been properly dealt with in the books of account.
- vi. In our opinion, 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 not taken any loans secured or unsecured from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- viii. The Company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- ix. Loans and advances in the nature of loans have been given to the employees only. Such loans include loans free of interest also. These employees are repaying the principal amount wherever stipulated and are also regular in the payment of interest wherever applicable.
- x. In our opinion and having regard to the explanation that in few cases of purchases where the items are of a special nature for which no comparable quotations are available, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchases of stores, raw material including components, plant and machinery, equipments and other assets and for the sale of goods.
- xi. In our opinion and according to the information and explanations given to us in respect of the transactions of purchase and sale of goods and materials made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 aggregating during the year to Rs.50,000 or more in respect of each party, as regards purchases

no comparison of prices could be made as the Company has informed us that there were no alternative sources of supply and as regards sales, prices charged have been reasonable having regard to the prices at which transactions for similar goods and materials have been made with other parties.

- xii. As explained to us, the Company has a regular procedure for determination of unserviceable or damaged stores, spares, raw materials including components and finished goods. Adequate provision has been made in the accounts for the loss if any arising on the items so determined.
- xiii. In our opinion, and according to the information and explanations given to us, the company has complied with the provision of Section 58-A the Companies Act, 1956 and the Companies [Acceptance of Deposits] Rules, 1975 with regard to deposits accepted from the public.
- xiv. In our opinion, reasonable records have been maintained by the Company for the sale and disposal of scrap. We are informed that the Company has no by-products.
- xv. The Company has no internal audit system in the year under review except that there is an adequate internal control system commensurate with the size of the company and the nature of its business.
- xvi. The maintenance of Cost records have not been prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 for the year under review.
- xvii. According to the records of the Company, Provident Fund and Employees' State Insurance dues have generally been regularly deposited during the year with the appropriate authorities.
- xviii. According to the information and explanations given to us, there were no undisputed amounts payable in respect of Income-tax, Sales-tax, Custom Duty and Excise Duty outstanding as at 31st March, 2002 for a period of more than six months from the date they became payable except Sales-tax amounting to Rs.732165/- for which instalment have been granted, (since paid).
- xix. According to the information and explanations given to us and on the basis of the record examined by us, no personal expenses of employees or directors have been charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practice.
- xx. The Company is a Sick Industrial undertaking within the meaning of clause [o] of section 3[1] of the Sick Industrial Companies (Special Provisions) Act, 1985. (SICA) [Refer Note No.11 in Schedule-12].

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For SHAH & Co.  
Chartered Accountants

Indulal H. Shah  
Partner

Mumbai, 12th August, 2002