

Millars

Millars India Limited

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

**Annual Report
2003-2004**

BOARD OF DIRECTORS

ASHOK J. PATEL CHAIRMAN
ANAND J. VASHI
VINOD N. JOSHI
R. S. MALVADE (Up to 29.04.2003)
Nominee - Bank of India
R. S. ARORA (From 26.06.2003)
Nominee - Bank of India
N. V. SUBRAMANYAM
Nominee - BIFR
TARAK A. PATEL (From 29.12.2003)
NARENDRA H. BHATT (From 29.12.2003)

AUDITORS

SHAH & CO.

SOLICITORS

GAGRAT & CO.

BANKERS

BANK OF INDIA
BANK OF MAHARASHTRA

REGISTERED OFFICE

24, KURLA-KIROL ROAD, P.B. No. 9208,
GHATKOPAR (W.), MUMBAI - 400 086.

**REGISTRARS &
TRANSFER AGENTS**

IIT CORPORATE SERVICES LIMITED
PROTOPRIMA CHAMBERS,
2ND FLOOR, SUREN ROAD,
ANDHERI (EAST), MUMBAI - 400 093.

NOTICE

NOTICE is hereby given that the EIGHTY FOURTH ANNUAL GENERAL MEETING of the Members of MILLARS INDIA LIMITED (Formerly known as The Acme Manufacturing Company Limited) will be held at Lounge Hall, Sachivalaya Gymkhana, 6, General Jagannathrao Bhosale Marg, Opp. Mantralaya, Mumbai - 400 032 on Wednesday, September 29, 2004 at 11.00 a.m. to transact the following business

ORDINARY BUSINESS

- 1 To consider and adopt the Audited Balance Sheet as at March 31, 2004 and the Profit 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.

SPECIAL BUSINESS

- 4 To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to Section 260, 261 and 284(6) and any other applicable provision (if any) of the Companies Act, 1956 and Article 136 of the Association of the Company Mr. N. H. Bhatt who was appointed as an Additional Director of the Company and who holds office up to this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 257 of the Companies Act, 1956 from members signifying their intention Mr. N. H. Bhatt as a candidate for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

- 5 To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to Section 260, 261 and 284(6) and any other applicable provision (if any) of the Companies Act, 1956 and Article 136 of the Association of the Company Mr. Tarak Ashok Patel who was appointed as an Additional Director of the Company and who holds office up to this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from members signifying their intention Mr. Tarak Ashok Patel as a candidate for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

Mumbai, May 29, 2004

Registered Office :

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

By Order of the Board of Directors

Ashok J. Patel
Chairman

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956

In conformity with the provisions of Section 173(2) of the Companies Act, 1956 the following explanatory statement sets out all material facts relating to Item No. 4 and 5 contained in the accompanying Notice dated May 29, 2004

ITEM No. 4

Mr. N. H. Bhatt was appointed as an Additional Director of the Company on 29th December, 2003. Mr. N. H. Bhatt (61) is a Postgraduate in Commerce and Law graduate. He joined our Company in August 1976 as Finance & Administrative Manager and resigned from the services of the Company in September, 1984. Then he joined Gujarat Machinery Manufacturers Limited (now known as GMM Pfaudler Limited) in October 1984 and retired in December 2002 as Vice President (Finance & Legal Affairs). Thereafter the said Company has retained him as Corporate Advisor till date. He has vast experience in the field of Accounts and Legal Affairs. Mr. N. H. Bhatt is also a Director in Glasslined Equipments Company Limited, Karamsad Holding Limited.

Notice under Section 257 of the Companies Act, 1956 has been received from members alongwith a deposit proposing Mr. N. H. Bhatt as a candidate for the Office of the Director. The Board of Directors are of the opinion that it would be in the interest of the Company to appoint Mr. N. H. Bhatt as a Director of the Company. Your Directors therefore recommend the resolution for your approval.

Except Mr. N. H. Bhatt no other Directors are in anyway concerned or interested in this Resolution.

ITEM No. 5

Mr. Tarak A. Patel was appointed as an Additional Director of the Company on 29th December, 2003. Mr. Tarak A. Patel (28) is a graduate from the University of Rochester, USA with a Bachelor Degree in Economics. He joined GMM Pfaudler Limited in February 2001 as Executive in Sales Department. Now he is working as Manager Business Development. Prior to joining to GMM Pfaudler Limited he has worked with Universal Consulting, Mumbai.

Notice under Section 257 of the Companies Act, 1956 has been received from members alongwith a deposit proposing Mr. Tarak A. Patel as a candidate for the Office of the Director. The Board of Directors are of the opinion that it would be in the interest of the Company to appoint Mr. Tarak A. Patel as a Director of the Company. Your Directors therefore recommend the resolution for your approval. Mr. Tarak A. Patel is a son of Mr. Ashok J. Patel Chairman of your Company. Hence Mr. Ashok J. Patel and Mr. Tarak A. Patel are considered to be interested in this resolution. Otherwise no other Directors are, in anyway concerned or interested in this Resolution.

Mumbai, May 29, 2004

Registered Office :

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

By Order of the Board of Directors

Ashok J. Patel
Chairman

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 Relevant Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 in respect of Items No. 4 and 5 as set out above, is annexed hereto.
- 3 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.
- 4 The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, September 23, 2004 to Wednesday, September 29, 2004 (inclusive)
- 5 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 Registrar and Transfer Agents at the following address : IIT Corporate Services Limited, Protoprma Chambers, 2nd floor, Suren Road, Andheri (E), Mumbai 400 093.
- 6 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.
- 7 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, Hakoba Mill Compound, Bombay cotton Mills Estate, Dattaram Lad Marg, Mumbai - 400 033, in the prescribed manner. In case any assistance is required, please write to our Registrars and Transfer Agents.
- 8 Members are requested to kindly bring their copies of Annual Report to the Meeting and filled their attendance slip for attending the meeting.

9. The Company's Equity Shares are listed on The Stock Exchange, Mumbai and The Stock Exchange, Ahmedabad. Further the Annual Listing Fees to the above Stock Exchanges has been paid upto March 31, 2005.

Mumbai, May 29, 2004

Registered Office :

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Ghatkopar (West), Mumbai 400 086.

By Order of the Board of Directors

Ashok J. Patel
Chairman

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DIRECTORS' REPORT

To The Members,

Your Directors present their Eighty Fourth Annual Report and the Audited Statement of Accounts for the year ended March 31, 2004.

FINANCIAL RESULTS

	<u>2003-2004</u> (Rs. In Lacs)	<u>2002-2003</u> (Rs. In Lacs)
Sales and other Income	709.27	774.05
Surplus on sale of Ghatkopar Land	1449.21	—
Premium on Ghatkopar Project	713.16	—
	<u>2871.64</u>	<u>774.05</u>
Profit/(Loss) before Interest, Depreciation & Taxation	1701.38	(152.10)
i) Interest	117.00	88.74
ii) Depreciation	14.77	16.64
iii) Taxation	—	—
Profit/(Loss) after interest, Depreciation and Taxation	<u>1569.61</u>	<u>(257.48)</u>
Balance brought forward from the previous year	(1466.36)	(1208.88)
Balance Carried to Balance Sheet	<u>103.25</u>	<u>(1466.36)</u>

DIVIDEND

The Board of Directors do not recommend any dividend for the year.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of Clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion and Analysis Report is included in this report.

OPERATIONS

Sales and other income for the year ended 31st March, 2004 amounted to Rs. 709.27 Lacs as compared to previous year Rs. 774.05 Lacs. Company has made Profit of Rs. 1569.61 Lacs which has mainly resulted due to surplus on sale of Ghatkopar Land amounting to Rs. 1449.21 Lacs and Premium on Ghatkopar Project amounting to Rs. 713.16 Lacs.

FIXED DEPOSITS

During the year under review, the Company has repaid all the fixed deposit holders aggregating to Rs. 95.85 lacs

Millars India Limited

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STATUS OF REHABILITATION SCHEME (SRS)

As per the Audited Balance Sheet as at 31-12-2003, Company's net worth being positive, the Company's application to BIFR to delist our Company as Sick Company is pending.

FINANCE

The Company has repaid entire outstanding dues under One Time Settlement of Rs. 599.22 lacs to Bank of India. Company also repaid entire Working Capital Term Loan of Rs. 35 lacs and reduced its Cash Credit facilities from Rs. 130 lacs to Rs. 100 lacs by repaying Rs. 30 lacs to Bank of Maharashtra. Now Company is having Cash Credit facility of Rs. 100 lacs and Non funded facilities of Rs. 50 lacs with only Bank of Maharashtra for its smooth operations at Karamsad factory.

DEVELOPMENT OF GHATKOPAR PROPERTY

In last AGM members approved the development of Ghatkopar property.

Development Agreement has been entered with M/s. Skyline Residency Private Limited, on 31st December, 2003.

In terms of Development Agreement Company handed over possession of land to Messers Skyline Residency Pvt. Ltd., and entered into agreement for development of Ghatkopar property.

In terms of Development Agreement and Supplementary Agreements, Company is entitled to receive Rs. 1440 lacs as Upfront consideration and balance consideration in form of constructed area.

The Company has received substantial portion of Upfront payment and this fund has been utilised for making payment of VRS, repayment of dues to Bank of India, Bank of Maharashtra and to liquidate Unsecured Creditors.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The system and procedures of the Company are designed to ensure adequate internal controls to give true and accurate information to the Management. It also ensures compliance with all laws and regulations in achieving Company's business and social objectives. The Management Information Systems are also effective and adequate to give timely and accurate information for decision making.

HUMAN RESOURCES / INDUSTRIAL RELATIONS

The relations with the Company's employees continued to remained cordial.

OUTLOOK

The increased thrust on infrastructure sector like power, roads, port etc., will provide opportunities of investment in future. In view of above the Company's main focus will be on Construction Machinery for which Company is well known in market. The Company is also having its reputation in Crane Industry and Company will continue to accept selective orders.

CORPORATE GOVERNANCE

A report on Corporate Governance and a Certificate from the Auditor's of the Company as prescribed under Clause 49 of the Listing Agreement are furnished as part of the Annual Report.

REGISTRAR AND SHARE TRANSFER AGENT

As per SEBI directions, the Company has appointed I.I.T. Corporate Services Limited as Registrar and Transfer Agent for both physical and demat equity shares with effect from 1st January, 2004.

DISCLOSURES OF 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 are not given.

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.

Mr. N. H. Bhatt and Mr. T. A. Patel were appointed as Additional Directors in the Board Meeting held on December 29, 2003. Under Section 260 of the Companies Act, 1956 and under Article 135 of the Articles of Association of the Company, these Directors hold office up to the date of forthcoming Annual General Meeting. The Company has received notices from the Members proposing their candidature as Directors under Section 257 of the Companies Act, 1956. The Board recommends their appointment.

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 judgments 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, 2004 and of the profit of the Company for the period from 1st April, 2003 to 31st March, 2004;
- 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 recommend their re-appointment.

AKNOWLEDGEMENTS

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 and Shareholders.

On behalf of the Board of Directors

Mumbai, May 29, 2004

Ashok J. Patel
Chairman

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