

Millars

Millars India Limited

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

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**Annual Report
2004-2005**

BOARD OF DIRECTORS

ASHOK J. PATEL CHAIRMAN
ANAND J. VASHI
VINOD N. JOSHI
R. S. ARORA (Up to 27.09.2004)
Nominee - Bank of India
N. V. SUBRAMANYAM
Nominee - BIFR (Up to 27.07.2004)
(Appointed from 29.09.2004)
NARENDRA H. BHATT
TARAKA A. PATEL

AUDITORS

SHAH & CO.

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BANKERS

BANK OF MAHARASHTRA

REGISTERED OFFICE

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

**REGISTRARS &
TRANSFER AGENTS**

MCS LIMITED
SRI VENKATESH BHAVAN, PLOT NO. 27,
ROAD NO. 11, MIDC AREA,
ANDHERI (EAST)
MUMBAI - 400 093.

NOTICE

NOTICE is hereby given that the EIGHTY FIFTH ANNUAL GENERAL MEETING of the Members of MILLARS INDIA LIMITED (Formerly known as The Acme Manufacturing Company Limited) will be held on Monday, September 26, 2005 at 11.00 a.m. at Babasaheb Dahanukar Sabha Griha, 6th Floor, Oricon House, 12, K Dubash Marg (Rampart Row), Fort, Mumbai - 400 023 to transact the following business :

ORDINARY BUSINESS

- 1 To consider and adopt the Audited Balance Sheet as at March 31, 2005 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. Ashok J. Patel who retires by rotation and being eligible, offers himself for re-appointment.
- 3 To appoint Director in place of Mr. Anand J. Vashi who retires by rotation and being eligible, offers himself for re-appointment.
- 4 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

- 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. N. V. Subramanyam 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 notices in writing under Section 257 of the Companies Act, 1956 from the members signifying their intention to propose Mr. N. V. Subramanyam 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."

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

"RESOLVED that pursuant to the provisions of clause 49 of the Listing Agreement with Stock Exchanges at Mumbai and Ahmedabad and provisions of Articles 138 of the Company's Articles of Association and applicable provisions of the Companies Act, 1956, consent of the members be and is hereby accorded for payment of Rs. 10,000/- (Rupees Ten Thousand Only) and Rs. 5,000/- (Rupees Five Thousand Only) respectively or such other amounts as may be approved by the Board of Directors of the Company, subject to a ceiling prescribed under the Companies Act, 1956 or rules framed thereunder as amended from time to time as sitting fees for each meeting of the Board of Directors and for each meeting of any Committee thereof to each of the Non-Executive Directors including Independent Directors of the Company attending such meeting."

7. To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution.

"RESOLVED THAT pursuant to Section 163 and other applicable provisions of the Companies Act, 1956, ("the Act") the consent of the company be and is hereby accorded to keep the Register of Members and debenture holders and copies of the Annual Returns Annexures thereto and copies of certificates and other documents required to be annexed therewith as required under Section 159, 160 or 161 of the Act and submitted to the Office of the Registrar of Companies be kept at the Office of MCS Ltd., having their office at Sri. Venkatesh Bhavan, Plot No. 27, Road No. 11, M.I.D.C. Andheri (E), Mumbai - 400 093 from such date that as the Board may decide."

"RESOLVED FURTHER that the Board of Directors be and are hereby authorised to do all acts, deeds and things as they deem fit to give effect to the said Resolution and generally."

Mumbai, July 29, 2005

By Order of the Board of Directors

Registered Office :

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

Ashok J. Patel
Chairman

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956**ITEM No. 5**

Mr. N. V. Subramanyam (66) is a qualified Company Secretary. He was inducted on August, 2002 as a Nominee Director of Board for Industrial and Financial Reconstruction - ("BIFR") and ceased as a Nominee Director from 27th July, 2004. The Board felt that Mr. N. V. Subramanyam should continue as a Director and he was appointed as an Additional Director of the Company on 29th September 2004. He has vast experience in the field of Secretarial, Finance and Legal Affairs. His expertise would help the Company.

Notices under Section 257 of the Companies Act, 1956 has been received from members along with a Deposit of Rs. 500 as required by law, proposing Mr. N. V. Subramanyam 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. V. Subramanyam as a Director of the Company. Your Directors therefore recommend the abovesaid resolution for your approval.

Except Mr. N. V. Subramanyam no other Director is in anyway concerned or interested in this Resolution.

ITEM No. 6

The Securities and Exchange Board of India has issued a Circular to all the Stock Exchanges advising them to amend the Listing Agreement by inserting the revised clause 49 relating to Corporate Governance requirements to be fulfilled by the Companies. The said amendment in the Listing Agreement was to be effective from April 01, 2005, but the effective date deferred till December 31, 2005. One of the requirements stipulated under the revised Clause 49 is that all fees/compensation payable to Non-Executive Directors, including Independent Directors, shall be fixed by the Board of Directors and shall require previous approval of the Members in General Meeting.

At present, the Company is paying to each of its Non-Executive Directors including Independent Directors, sitting fees of Rs. 10,000/- (Rupees Ten Thousand only) for each meeting of the Board of Directors attended to by him and a sitting fees of Rs. 1,000/- (Rupees One Thousand only) for each meeting of any Committee of the Board of Directors attended to by such Non-Executive Director.

In view of the revised clause 49 of the Listing Agreement with the Stock Exchanges, approval of Members is required for payment of the sitting fees to the Non-Executive Directors. The Directors recommend the above resolution for your approval.

Since all the Directors are Non-Executive Directors, they all may be considered as concerned or interested in passing of this resolution.

ITEM No. 7

The Company had appointed IIT Corporate Services Ltd. as Registrars and Share Transfer Agents. IIT Corporate Services Ltd. are not continuing in the said business and hence your Company has entered into an Agreement with MCS Ltd. appointing them as Registrars and Transfer Agents. Section 163 of the Companies Act, 1956 ("the Act") requires that all the records like Register of Members and the Debenture Holders including the indexes thereof alongwith the Annual Returns with the annexures, certificates and other documents annexed to the Annual Returns shall be maintained at the registered office of the Company and if the same are to be shifted the same is to be done with the consent of the Members of the Company by passing a Special Resolution in the general meeting. In view of the change in the Registrars and Transfer Agents, the said documents are proposed to be maintained at the Office of the MCS Ltd. who have now been appointed as Company's Registrars and Transfer Agents. The Directors recommend the above resolution for acceptance.

None of the Directors is interested or concerned in the said resolution.

Mumbai, July 29, 2005

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

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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 Relevant Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 in respect of Item No.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 Tuesday, 20th September, 2005 to Monday, 26th September 2005 (both the days 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 MCS Limited, 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 : Sri Venkatesh Bhavan, Plot No. 27, Road No. 11, M.I.D.C. Area, Andheri (East), 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 Office of the Registrar of , Maharashtra, 2nd Floor, Hakoba Compound, Bombay Cotton Mills Estate, Dattaram Lad Marg, Mumbai - 400 023 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.
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, 2006.

Mumbai, July 29, 2005

By Order of the Board of Directors**Registered Office :**

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

Ashok J. Patel
Chairman

DIRECTORS' REPORT

To The Members,

Your Directors present their Eighty Fifth Annual Report and the Audited Statement of Accounts for the year ended March 31, 2005.

FINANCIAL RESULTS

	<u>2004-2005</u> (Rs. In Lacs)	<u>2003-2004</u> (Rs. In Lacs)
Sales and other Income	640.82	709.27
Surplus on sale of Ghatkopar Land	—	1449.21
Premium on Ghatkopar Project	—	713.16
	<u>640.82</u>	<u>2871.64</u>
Profit/(Loss) before Interest, Depreciation and Taxation	148.15	1701.38
i) Interest	88.60	117.00
ii) Depreciation	13.30	14.77
iii) Taxation	4.03	—
Profit/(Loss) after interest, Depreciation and Taxation	<u>42.22</u>	<u>1569.61</u>
Balance brought forward from the previous year	103.25	(1466.36)
Balance Carried to Balance Sheet	<u>145.47</u>	<u>103.25</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, 2005 amounted to Rs. 640.05 Lacs as compared to previous year of Rs. 709.27 Lacs. Company has made Profit of Rs. 42.22 Lacs. The operational economies from concentrating the manufacturing activities at Karamsad, Gujarat are reflected in the year under review. Full benefits thereof will be seen in coming years.

FIXED DEPOSITS

The Company has not accepted Fixed Deposits from the Public.

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STATUS OF REHABILITATION SCHEME

Based on the Audited Balance Sheet as at 31st December, 2003, the net worth of the Company stood positive and our Application to Board for Industrial & Financial Reconstruction to de-list our Company as a Sick Company is pending disposal.

FINANCE

The Company has during the current year further reduced its borrowings by repaying Rs. 75 Lacs to Bank of Maharashtra and as a result the Cash Credit is now only Rs. 25 Lacs with non-funded facilities of Rs. 50 Lacs in line with the reduced operations. This will have significant impact on our interest expense.

DEVELOPMENT OF GHATKOPAR PROPERTY

Out of the upfront payment of Rs. 1440 lacs payable by Skyline Residency Pvt. Ltd. in terms of Development Agreement and Supplementary Agreements with the Company in respect of Ghatkopar property, they have paid to the Company Rs. 1383 lacs (Rs. 668 lacs during the year ended 31st March, 2005). The Company has received upto July 28, 2005, Rs. 242 lacs (Rs. 131 lacs during the year ended 31st March, 2005) as an advance from sale of flats under development at our Ghatkopar property from prospective buyers. The Company has utilized the said amounts towards repaying entire outstanding dues to Bank of India, entire outstanding Working Capital Term Loan and reducing Cash Credit facilities of Bank of Maharashtra, to liquidate some of the dues of unsecured creditors and to repay with interest part of the loan from Promoters and a portion of the contribution brought by the Promoters pursuant to the Rehabilitation Scheme of BIFR.

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 remain cordial.

OUTLOOK

The Company continues to get good orders for Batching & Mixing Plants and Transit Mixers due to development of infrastructure projects activities all over the Country. However, the margins on these orders have suffered during the year under review due to increase in input cost and cheaper alternatives available in the Market. The Company has focused to reduce its input cost and procure orders on reasonable returns.

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

The Company has appointed MCS Limited, Sri Venkatesh Bhavan, Plot No. 27, Road No. 11, M.I.D.C. Andheri (East), Mumbai - 400 093 as the Registrars and Transfer Agents both for Physical and Dematerialized Shares and they have taken over from the previous Registrars and Transfer Agents I.I.T. Corporate Services Limited with effect from 1st January, 2005. Necessary Resolution for the keeping of records of the Company like Annual Return, Register of Members etc. by MCS Ltd. is being proposed at the ensuing Annual General Meeting.

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. Ashok J. Patel and Mr. Anand Vashi will be retiring by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment.

Mr. N. V. Subramanyam who was the Nominee Director of Board for Industrial and Financial Reconstruction - ("BIFR") on the Board of Directors of your Company ceased to be Nominee Director as his nomination was withdrawn by B.I.F.R. vide their letter dated 5th July, 2004. Mr. Subramanyam has been appointed as an Additional Director with effect from 29.09.2004 by the Board of Directors of your Company. He will be ceasing to hold office at the ensuing Annual General meeting. The company has received Notices from members proposing his candidature as Director under Section 257 of the Companies Act, 1956. The Board recommends his 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, 2005 and of the profit of the Company for the period from 1st April, 2004 to 31st March, 2005;
- 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.

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AUDITORS

The notes to Accounts 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. your Directors recommend their re-appointment.

INTERNAL AUDITORS

The Company has appointed M/s. Arvind & Co., Chartered Accountants, as Internal Auditors from January 1, 2005.

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 and Shareholders.

Mumbai, July 29, 2005

On behalf of the Board of Directors

Ashok J. Patel
Chairman