

MINISTIL

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**25th Annual Report
1998-99**

WESTERN MINISTIL LIMITED

WESTERN MINISTIL LTD.**BOARD OF DIRECTORS**

K. RAMACHANDRAN *Chairman*
PRITHVIRAJ S. PARIKH
BHASKAR V. SHAH
KIRAN D. SHAH
NIRANJAN N. LALBHAI
A.N. DESHPANDE
P.K.R.K. MENON, *Company Secretary*

AUDITORS

HARIBHAKTI & CO
Chartered Accountants

BANKERS

DENA BANK
STATE BANK OF INDIA

REGISTERED OFFICE

K. Parikh House,
47, P. D'Mello Road,
Mumbai - 400 009.

HEAD OFFICE

16th Floor,
Mittal Tower, 'A' Wing,
Nariman Point, Mumbai - 400 021.

PLANT

L. B. S. Marg, Mulund (West)
Mumbai - 400 080.

**REGISTRARS &
SHARE TRANSFER AGENTS**

M.C.S. Limited
Plot No.27, Road No.11
M.I.D.C. Area
Sri Venkatesh Bhavan
Andheri (East)
Mumbai - 400 093

25th Annual Report

MINISTIL

NOTICE

Notice is hereby given that the Twenty-fifth Annual General Meeting of Western Ministil Limited will be held at K. Parikh House, fifth floor, 47, P. D'Mello Road, Mumbai -400009 on Friday, 24th September, 1999 at 3.00 P.M. to transact the following business:

1. To receive and adopt the Directors' Report and Audited Profit & Loss Account of the Company for the year ended 31st March, 1999 and the Audited Balance Sheet as at that date.
2. To appoint a Director in place of Shri Kiran D. Shah, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Prithviraj S. Parikh, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold office for the period commencing from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

NOTES

- (A) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
- (B) The Register of members and the Share Transfer Books of the Company will remain closed from 10th September, 1999 to 24th September, 1999 (both days inclusive).
- (C) Members are requested to notify any change of address.
- (D) In view of the shortage of paper and increase in the cost of printing, it will not be possible to provide extra copies of the Annual Report to the Members attending the Annual General Meeting. The Members are, therefore, requested to bring their respective copies with them.

By Order of the Board
P.K.R.K. MENON
Director & Company Secretary

Registered Office :
K. Parikh House,
47, P. D'Mello Road,
Mumbai - 400 009.
Dated : 11-08-1999.

DIRECTORS' REPORT

1. The Directors present the twenty-fifth Annual Report and Audited Accounts of the Company for the year ended March 31, 1999.

2. FINANCIAL RESULTS

| | Current year ended 31.03.1999 Rs. in lacs | Previous year ended 31.3.1998 Rs. in lacs |
|--|---|---|
| Sales and other Income | 32.31 | 76.69 |
| Profit (Loss) before Interest & Depreciation | (6.08) | 7.00 |
| Interest | 21.47 | 23.88 |
| Depreciation | — | — |
| Profit & (Loss) before Taxation | (27.55) | 7.00 |
| Profit & Loss - Balance B/d | (673.79) | (680.79) |
| Net Balance carried to Balance Sheet | (701.34) | (673.79) |

3. DIVIDEND

The Interest burden has mainly contributed to the loss sustained by the Company in 1998-99 resulting in the accumulated losses reaching Rs.701.34 lacs. Therefore, it has not been possible for the Board to propose payment of any dividend for the year under review.

4. OPERATING RESULTS

Since the closure of the plant in December 1995, the operations are at a standstill. However, efforts are continuously being made to expedite disposal of assets to facilitate discharging the liabilities of secured creditors. This process has however been adversely affected and considerably slowed down during the year 1998-99 as the Steel Industry in general and the Mini Steel Sector in particular have been hit by the chequered demand growth for long Products culminating in surplus availability coupled with severe competition among different segments of the Industry.

5. FINANCE

The liability on account of secured loans has been brought down from Rs.253.76 lacs to Rs.238.48 lacs, which constitute the principal amount and accrued interest payable to the Institutions, including 14% secured debentures issued to UTI which have fallen due for redemption. The proposal put up by the Company for one time settlement of the dues payable to financial institutions headed by IDBI and redemption of NCDs issued to UTI, could not however be implemented within the stipulated period of 31.12.1998 and extended till 31.3.99. The Company is however, submitting a revised OTS proposal to IDBI and the other Financial Institutions seeking waiver of interest charges from the date of closure of the Plant w.e.f 01.12.1995 as well as compound interest, liquidated damages, penalties etc. in full.

Public Deposits amounting to Rs. 15,000/- still remains unclaimed. No fresh deposits have however, been accepted during the year under review.

Unsecured loans amounting to Rs. 418.47 lacs (previous year Rs.389.61 lacs) represent money due to associate Companies which liability the Company has not been able to discharge due to lack of funds.

AUDITORS' REPORT

**TO
THE MEMBERS OF WESTERN MINISTIL LIMITED**

We have audited the attached Balance Sheet of Western Ministil Limited, as at 31st March, 1999 and the Profit and Loss Account of the Company for the year ended on that date annexed thereto and 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 it appears from our examination of such books;
 - (c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report are prepared in compliance of the applicable Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
 - (e) Subject to :
 - i) Non-provision for doubtful debts amounting to Rs.206.85 lacs and non-confirmation of balances of certain sundry debtors;
 - ii) Non-provision for doubtful advances amounting to Rs.56.65 lacs;
 - iii) Claims receivable on account of gratuity paid, amounting to Rs.10.15 lacs, being subject to acceptance/lodgement under LIC group gratuity scheme;
 - iv) Note no.8 regarding non-provision for interest and other charges amounting to Rs.89.47 lacs on various loans and non-provision amounting to Rs.25.20 lacs payable on account of interest on non convertible debentures and Rs.42.94 lacs payable on redemption of debentures;
 - v) note no. 1 (C) regarding non-provision for depreciation amounting Rs. 16.77 lacs on fixed assets;
 - vi) note no 1 (d) regarding non-provision decline in market value of investment;
 - vii) The concept of Going Concern Assumption is under review as the Company had stopped its manufacturing activities substantially since 1-12-95 and the main plant and machinery are in the process of being disposed off. However, attention is invited to Notes No. 5 & 6 regarding Company's future prospects.
- In our opinion and, to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss Account give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
- i) in so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 1999 and,
 - ii) in so far as it relates to the Profit and Loss Account, of the Loss of the Company for the year ended on that date.

For HARIBHAKTI & CO.
Chartered Accounts

(SUSHIL SHAH)
Partner

Place : Mumbai

Dated : 11th August, 1999.