

## **AMBIKA COTTON MILLS LIMITED**



**ANNUAL REPORT  
1999 - 2000**

## AMBIKA COTTON MILLS LIMITED

### BOARD OF DIRECTORS

Sri P.V. Chandran  
Sri P.K. Ganeshwar  
Sri M. Rathanasamy  
Sri K.N.Sreedharan  
Sri P. Soundarrajan

### Registered Office

10 Kurinji Nagar  
Sheriff Colony  
Tirupur - 641 604.

### Administrative Office

9A Valluvar Street  
Sivanandha Colony  
Coimbatore - 641 012.

### Factory

Kanniya Puram  
Dindigul

### Auditors

M/s.L.Venkatasubbu & Co  
Chartered Accountants,  
Coimbatore

### Bankers

The Bank of Nova Scotia,  
Coimbatore

## AMBIKA COTTON MILLS LIMITED

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### NOTICE OF THE MEETING

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Notice is hereby given that the Twelfth Annual General Meeting of the Company will be held on Friday the 29th September 2000 at 12.00 noon at Velan Hotel, 41, Kangeyam Road, Tirupur to transact the following Business.

#### A. ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2000 and Profit and Loss Account for the year ended on that date and reports of the Directors and Auditors thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Sri.K.N. Sreedharan who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting and to fix their remuneration.

By order of the Board

Sd/-

(P.K.GANESHWAR)  
CHAIRMAN

PLACE : Coimbatore.

DATE : 31/05/2000.

#### NOTES :

01. 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 of the Company.
02. Proxies should be lodged with the Company not less than forty eight hours before the time fixed for the meeting.
03. The register of Members of the company will remain closed from 16th September 2000 to 29th September 2000 (Both the days inclusive). The dividend if declared will be paid to those members whose names appear in the Register of Members as on 29th September 2000.
04. Members are requested to notify the changes if any in their address immediately.
05. Shareholders seeking any information with regard to the accounts are requested to write to the company at least seven days before the date of the meeting so as to enable the company to keep the information ready.

# AMBIKA COTTON MILLS LIMITED

## DIRECTORS' REPORT

Your directors have great pleasure in submitting the Twelfth Annual Report together with the audited accounts for the year ended 31st March 2000.

### FINANCIAL RESULTS

The Financial results for the year ended 31st March 2000 are furnished below:

	CURRENT YEAR 2000 Rs.	PREVIOUS YEAR 1999 Rs.
SALES AND OTHER INCOME	41,38,14,766	43,31,52,801
GROSS PROFIT FOR THE YEAR	5,55,50,446	4,42,08,964
LESS : DEPRECIATION	1,28,53,653	1,14,64,755
	<u>4,26,96,793</u>	<u>3,27,44,209</u>
ADD : BALANCE IN PROFIT & LOSS ACCOUNT (BROUGHT FORWARD FROM THE PREVIOUS YEAR)	1,41,15,530	1,05,26,071
PRIOR PERIOD INCOME	82,022	0
PRIOR PERIOD INCOME TAX	2,14,760	0
DEPRECIATION WITHDRAWN	0	42,750
	<u>5,71,09,105</u>	<u>4,33,13,030</u>
LESS : PROVISION FOR INCOME TAX	25,00,000	17,00,000
PROVISION FOR DIMINUTION IN VALUE OF INVESTMENTS	0	7,500
	<u>5,46,09,105</u>	<u>4,16,05,530</u>
<b>APPROPRIATIONS:</b>		
GENERAL RESERVE	2,00,00,000	1,75,00,000
PROPOSED DIVIDEND	60,00,000	90,00,000
TAX ON DIVIDEND	13,20,000	9,90,000
BALANCE CARRIED OVER IN PROFIT AND LOSS ACCOUNT	2,72,89,105	1,41,15,530
	<u>5,46,09,105</u>	<u>4,16,05,530</u>

## AMBIKA COTTON MILLS LIMITED

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### DIRECTORS' REPORT (Contd...)

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#### DIVIDEND

Your directors are pleased to recommend for your approval payment of dividend for the year ended 31st March 2000 at 12% on the Equity Shares of the Company.

#### OPERATIONS:

The Company's Total Income and Gross profit amounted to Rs. 4138.15 lakhs and Rs. 555.50 Lakhs.

The Total Income had declined by 4.46% as compared to the previous year. However the gross profit had registered an increase of 25.65% over the previous year.

For the year Company's Export Turnover amounted to Rs. 3425.30 Lakhs as compared to Rs. 2799.80 Lakhs in the previous year representing an increase of 22.34%.

During the year the company commenced commercial production on 05.03.2000 from its expansion project of 12096 spindles. The project is an 100% EOU and assisted by a term loan under Technology Upgradation Fund Scheme (TUFS) of Rs. 1000.00 Lakhs by IDBI for expansion upto 4032 spindles together with required value addition facilities. The cost of balance expansion of 8064 spindles was met by the company through its internal accruals. The company incurred a capital expenditure of Rs. 2324.36 Lakhs towards its new project. The project would be in full operation during the current year and would contribute for further growth of the company in the coming periods.

The company further consolidated its export base and export turnover had constituted 84.39% of the total turnover thereby earning valuable foreign exchange for the country. This export performance and overall performance of the company was largely possible due to continued emphasis on quality standards at various levels. All the efforts are being made to maintain and make further improvements in order to achieve better performance during the current financial year.

#### DIRECTORS :

Sri. K.N. Sreedharan, Director retires by rotation and being eligible offers himself for re-appointment.

## AMBIKA COTTON MILLS LIMITED

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### DIRECTORS' REPORT (Contd...)

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#### AUDITORS:

M/s.L.Venkatasubbu & Co., Chartered Accountants, Auditors of the Company are to retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. They have furnished the necessary certificate in terms of Section 224 of the Companies Act,1956.

#### PARTICULARS OF EMPLOYEES:

The Company has no employees of the category specified in Section 217(2A) of the Companies Act,1956.

#### DISCLOSURES OF PARTICULARS:

Particulars relating to conservation of Energy, Technology absorption, Foreign Exchange Earning and outgo pursuant to the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988 are set out separately and form part of this report.

#### ACKNOWLEDGEMENTS:

The Board wishes to place on record its appreciation for the various approvals and assistance from the Financial Institutions, Bankers and Government Agencies. Further the Board places on record its appreciation for the performance contributed by its staff and workmen for the further growth of the company.

For and on behalf of the Board

Sd/-  
(P.K.GANESHWAR)  
CHAIRMAN

PLACE : Coimbatore.  
DATE : 31/05/2000.

# AMBIKA COTTON MILLS LIMITED

## ANNEXURE TO DIRECTORS' REPORT

Particulars pursuant to the Companies (Disclosure of particulars in the Report of Board of Directors) Rule 1988.

### A. CONSERVATION OF ENERGY

- a) Energy Conservation measures taken:  
Usage of Energy is constantly monitored and the need to conserve the same is emphasised.
- b) Additional Investments and proposals being implemented for reduction of consumption of Energy: NIL
- c) Impact of measures (a) & (b) above for reduction of Energy Consumption and consequent impact on cost of production.
  - i) The consumption of energy has been closely monitored and as a result wastage is avoided.
  - ii) Efficiency of the Internal Generation of Electricity is maintained.
- d) Total energy consumption and energy consumption per unit of Production as prescribed in Form A:

	YEAR ENDED 31.03.2000	YEAR ENDED 31.03.1999
<b>1. ELECTRICITY:</b>		
a. Purchased :		
Units (in Lakhs)	35.47	17.68
Total Amount (Rs. in Lakhs)	144.88	77.11
Rate per Unit	4.08	4.36
b. Own Generation:		
1. Through Diesel Generator:		
Units (in Lakhs)	83.68	92.06
Units per litre of Diesel Oil	3.34	3.54
Rate per Unit	3.40	2.74
2. Coal	Nil	Nil
3. Furnace Oil	Nil	Nil
4. Others/Internal Generation	Nil	Nil
c. Consumption per unit of Production Electricity Units per Kg.	3.49	3.00
d. Technology Absorption :	Indigeneous Technology alone is used.	
e. Foreign Exchange Earnings	Rs. 34,25,30,457	Rs. 27,99,80,340
Foreign Exchange Outgo	Rs. 22,00,96,808	Rs. 77,93,363

For and on behalf of the Board

Sd/-  
(P.K.GANESHWAR)  
CHAIRMAN

PLACE : Coimbatore.

DATE : 31/05/2000.

# AMBIKA COTTON MILLS LIMITED

## AUDITORS' REPORT

To

The Members,  
Ambika Cotton Mills Limited,  
Tirupur.

We have audited the attached Balance Sheet of Ambika Cotton Mills Limited as at 31st March 2000 and the Profit and Loss Account for the year ended on that date annexed thereto and report that:-

- (1) As required by the Manufacturing and other Companies (Auditors' Report) order, 1988 Issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956 We enclose in the annexure a Statement on the matters specified in Paragraph 4 and 5 of the said order.
- (2) Further to our comments in the Annexure referred to in Paragraph 1 above.
  - 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. Proper Books of Account as required by law have been kept by the Company so far as appears from our examination of such books;
  - c. The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account;
  - d. In our opinion, the profit and loss account and balance sheet comply with the requirements of the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - e. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and subject to notes thereon give a true and fair view:-
    - i. In the case of the Balance Sheet of the State of affairs of the Company as at 31st March 2000.
    - and
    - ii. In the case of the profit and loss account of the Profit for the Year ended on that date.

For and on behalf of  
L.VENKATASUBBU & CO.,  
CHARTERED ACCOUNTANTS

Sd/-  
(K.N. RAVICHANDRAN)  
Partner

PLACE : Coimbatore  
DATE : 31/05/2000.