



Jamshri

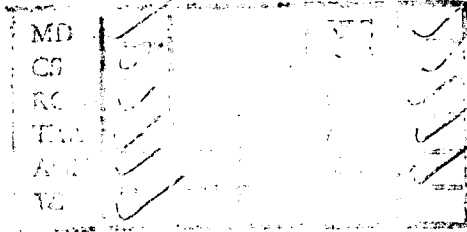
**89th
Annual Report
and Accounts
1996-97**



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89TH ANNUAL REPORT**BOARD OF DIRECTORS**

: **Shri Prem Ratan Damani**
Chairman & Managing Director



Shri Dhanvantlal Chandulal Gandhi

Shri Navratan Damani

Shri E.A.K. Faizullahoy

Shri Bhaskar G. Kakatkar

Shri R.N. Joshi

Shri Kiranbhai J. Shah

Shri S.K. Somany

Shri Ghanshyam Binani

Shri G.A. Tadas (Nominee Director I.D.B.I.)

SOLICITORS

: **M/s. Mulla & Mulla & Craigie Blunt & Caroe**

AUDITORS

: **M/s. K.S. Aiyar & Co.**
Chartered Accountants

BANKERS

: **Bank of India**

SECRETARY

: **Shri. R.L. Shah**

MILL

: **Solapur**

REGISTERED OFFICE

: **Fatehchand Damani Nagar,**
Station Road,
Solapur - 413 001.

THE JAMSHRI RANJITSINGHJI SPG. & WVG. MILLS CO. LTD.

EIGHTY-NINTH REPORT OF THE DIRECTORS

We present our Annual Report of the Company with the audited statement of accounts for the year ended 31st March, 1997.

1. FINANCIAL RESULTS

	1996-97	1995-96
Gross Profit	2,78,30,791	3,38,44,921
DEDUCTIONS		
Depreciation	2,60,71,722	2,68,91,631
Profit before taxation	17,59,069	69,53,290
Less: Provision for taxation	2,50,000	—
Add : Balance brought forward	1,04,63,500	94,36,491
Add : Income Tax Refund of earlier years	7,04,451	—
Less: Previous year's adjustments	—	1,40,507
Profit dealt with as under	1,26,77,020	1,62,49,274
Transfer to General Reserve	—	5,36,101
Proposed Dividend	34,99,782	52,49,673
Income Tax on proposed Dividend	3,49,978	—
Surplus carried to Balance Sheet	88,27,260	1,04,63,500

2. DIVIDEND

The Directors have pleasure in recommending the declaration of dividend of Rs.1.00 (Rupees One Only) per share of Rs.10/- for the year under review. The proposed dividend, if approved by the shareholders at the ensuing Annual General Meeting, would absorb a sum of Rs.34,99,782/- for which full provision has been made in the Accounts. This recommendation of dividend is subject to approval of Financial Institutions.

3. WORKING

The working for the year under review was affected due to over all increase in the cost of power and fuel, finance charges, etc. compounded with overall sluggish market conditions resulting into lower exports. The overall liquidity crunch continued during the year. Therefore, the recovery from the customers were abnormally delayed. This resulted into increase in finance charges. Moreover due to the steep rise in the power tariff during the year, the power and fuel cost went up substantially. Inspite of the increase in the realisation of finished product, the total impact of increase in cost could not be passed on to the customers due to overall depressed market. Some of the outstandings of financial institutions / Debentures were over due at the end of the year which has since been paid / re-scheduled.

4. CURRENT OUTLOOK

With the improvement in the export demand in the recent months and establishing our company's product in new markets abroad like Africa, your directors expect better performance during current year. The performance of the new spinning unit is encouraging and to establish the yarn produced by this unit in the international market, efforts for obtaining ISO 9002 Certification is in progress.

5. DIRECTORS

Under Articles 146 of the Articles of Association of the Company, Shri Bhaskar G. Kakatkar, Shri Kiranbhai J Shah and Shri N.R. Damani, retire by rotation and are eligible for re-election.

6. INSURANCE

Your Company's buildings, Plant and Machinery, Tools, Electrical installations, Stock in Process, Finished Goods and Raw Materials have been adequately insured.

7. PUBLIC DEPOSITS:

Fixed Deposits at the end of the year stood at Rs.85,35,000/-. An amount of Rs.2,58,000/- remained unclaimed as on 31st March, 1997 of which Rs.1,61,000/- has been repaid or renewed at the option of the Depositors leaving a balance of Rs.97,000/- unclaimed.

89TH ANNUAL REPORT**8. AUDITORS**

You are requested to appoint the Auditors to hold office from conclusion of the meeting till the conclusion of the next Annual General Meeting and fix their remuneration. The retiring Auditors, M/s. K.S. Aiyar & Co., Chartered Accountants being eligible offer themselves for reappointment.

9. PERSONNEL

The particulars of Employees as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 are set out in the statement annexed hereto and form part of this report.

10. ACKNOWLEDGEMENTS

Your Directors place on record the timely assistance given to the Company by Bank of India. Your Directors also place on record their appreciations of contribution made by the employees at all levels to the operation of the Company during the year under review.

11. CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

Information pursuant to Section 217(i) (e) of the Companies (Disclosure of Particulars in the report of Board of Directors) Rules 1988 is given in the annexure.

For and on behalf of the Board

P.R. DAMANI
CHAIRMAN

Place : Mumbai.

Date : 29th July, 1997

PARTICULARS OF EMPLOYEES AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956 AND THE RULES MADE THEREUNDER, FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 1997, WHO WERE IN RECEIPT OF REMUNERATION FOR THE FINANCIAL YEAR, AGGREGATING NOT LESS THAN Rs. 3.00 LAKHS FOR THE YEAR OR RS. 0.25 LAKHS PER MONTH.

Sr. NO.	NAME	DESIGNATION	REMUNERATION Rs.	NATURE OF EMPLOYMENT	QUALIFICATION & EXPERIENCE	DATE OF APPOINTMENT	DATE OF BIRTH	PREVIOUS EMPLOYMENT
1.	SHRI P.R. DAMANI	MANAGING DIRECTOR	5,10,000	CONTRACTUAL	40 YEARS	21/07/1966	15/05/1936	DAMANI TEXTILE COMPANY

- NOTES :**
- i) Remuneration includes salary, commission, rent free accommodation or House Rent Allowance medical benefits, leave travel assistance and company's contribution to Provident Fund, wherever applicable as per Company's Rules.
 - ii) Shri N.R. Damani is related to Shri R.R. Damani as Director of the Company.

THE JAMSHRI RANJITSINGHJI SPG. & WVG. MILLS CO. LTD.

ANNEXURE "A" TO DIRECTORS' REPORT

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.

A. CONSERVATION OF ENERGY.

(a) ENERGY CONSERVATION MEASURES TAKEN :

- (i) Modification in cethar Vessel boiler to feed Ground nut shell.
- (ii) Reduction to pump size from 10 HP TO 5 HP for Weaving Humidity Tank.
- (iii) Utilisation of last washing nip water of soaper for second nip.
- (iv) Replacement of Conventional V Belts with Cogbelts on 35 Ring Frames.
- (v) Monitoring and attending to power consumption of Ring Frames by means of ENERCON digital instrument.
- (vi) Monitoring steam blow downs on boiler.
- (vii) Installation of water level guard on all well pumps.
- (viii) Linking of Hopper Feeder of Trumec with NSC Blow Room.

(b) ADDITIONAL INVESTMENT AND PROPOSAL, IF ANY, BEING IMPLEMENTED FOR REDUCTION IN CONSUMPTION OF ENERGY.

- (i) Replacement with Cog belts on balance Ring Frames.
- (ii) Replacement of energy saving spindles on Ring Frames.

(c) IMPACT OF MEASURES AT (a) & (b) ABOVE FOR REDUCTION OF ENERGY CONSUMPTION AND ON THE COST OF PRODUCTION ON GOODS.

- (i) Modification in Cethar Vessel boiler would lead to use agro waste as a fuel in place of conventional coal.
- (ii) Reduction in pump size would lead to lower energy consumption.
- (iii) Utilising spent Soaper water would lead to lower water consumption.
- (iv) Monitoring of steam blow down & use of ENERCON energy instrument would lead to lower energy consumption.
- (v) Replacement with cog belts would lead to lower cost of production.
- (vi) Linking of Hopper Feeder of Trumec with NSC blow Room would lead to energy saving as well as sparing of NSC unit to utilize as toppler for synthetic blends.
- (vii) Replacement of energy saving spindles would lead to lower cost of Speed For Ring Frames.
- (viii) IT MAY BE WORTHWHILE TO MENTION THAT THE NATIONAL ENERGY CONSERVATION AWARD 1996 IN INDUSTRIAL SECTOR WAS BESTOWED ON US BY THE PRIME MINISTER ON 14TH DECEMBER, 1996.

(d) TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION FORM-A ENCLOSED.

B. TECHNOLOGY ABSORPTION

(e) EFFORTS MADE IN TECHNOLOGY ABSORPTION AS PER FORM-B ENCLOSED.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- (f) ACTIVITIES RELATING TO EXPORTS, INITIATIVES TAKEN TO INCREASE EXPORTS, DEVELOPMENTS OF NEW EXPORT MARKETS FOR PRODUCTS AND SERVICES AND EXPORT PLANS. } Mentioned in the Directors' Report

(g) TOTAL FOREIGN EXCHANGE USED & EARNED

(Rs. in Lacs)

- i) Foreign Currency earned 2456
- ii) Foreign Currency used 655

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FORM "A"

A. POWER AND FUEL CONSUMPTION

	CURRENT YEAR	PREVIOUS YEAR
1. Electricity		
a) Purchased		
Unit (kwh) in lacs	152.01	149.67
Total Amount (Rs. in lacs)	497.59	424.82
Rate/Unit (Rs.)	3.27	2.84
b) Own generation through Diesel Generator		
Units (KWH) in lacs	1.11	2.09
Units/Litre of Diesel Oil	3.41	3.46
Cost/unit Rs.	2.76	2.37
2. Coal		
Quantity in M.Tons.	2362.93	2573.86
Total Cost (Rs. in lacs)	41.38	38.09
Average Rate (Rs./M.Tons)	1751.27	1479.88
3. Other Fuels		
Quantity in M.Tons.	13435.69	11932.60
Total Cost (Rs. in lacs)	56.93	53.42
Average Rate (Rs./M.Tons)	423.71	447.68
B. CONSUMPTION PER UNIT OF PRODUCTION		
1. Electricity (Units)		
per kg of yarn	4.22	5.37
per linear metre of fabric	1.26	1.08
2. Fuels (kg)		
per kg of yarn	2.73	5.13
per linear metre of fabric	0.82	1.04

FORM - "B"

Form for disclosure of particulars with respect of Technology Absorption 1996-97.

RESEARCH AND DEVELOPMENT (R & D)

1. SPECIFIC AREAS IN WHICH R & D CARRIED OUT BY THE COMPANY.

- Quality parameters for Defence suiting have been decided right from Raw Material purchase to final packing.
- Testing of Polyester Fibre has been started.
- I.S.O.9002 Certificate work is on the verge of completion.

2. BENEFIT DERIVED AS A RESULT OF THE ABOVE R & D.

- Product development/improvement.
 - We could successfully supply defence fabric where the quality check is very stringent.
 - Export of blended yarn has also improved.
 - I.S.O.9002 Certification is awaited.
- Import substitution.

We have successfully replaced imported Red F3BS Disperse dye partially by indigenous Red 3BLS Disperse Colour and consumption of this imported Colour is reduced to 30%.

3) FURTHER PLAN OF ACTION

- To start testing of Tearing strength of Fabric.
- To modify the process of Reduction clearing after carbonising.
- Grey Folding inspection for 100% Fabrics.

4) EXPENDITURE ON R & D (Rs. in Lacs)

- Capital 0.93
- Recurring 6.11
- Total 7.04
- Total R & D expenditure as a percentage of total turnover (%) 0.01

TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION.

1) Efforts in brief made towards technology absorption, adaption and innovation and benefits desired as a result thereof :-

- We have successfully mounted Ground nut shell feeder on Cethar Vessel Fluidised Bed Boiler.
- We have connected Hopper Feeder and V.F.O. of latest Trumec Blower to old NSC Synthetic Blow Room Line so as to get better LAP CV and energy saving.
- Minor innovations are regularly carried out from time to time to encounter problems envisaged day to day.

THE JAMSHRI RANJITSINGHJI SPG. & WVG. MILLS CO. LTD.**REPORT OF THE AUDITORS**

To the Members of THE JAMSHRI RANJITSINGHJI SPG. & WVG. MILLS CO. LTD.

Report on the Accounts for the year ended 31st March, 1997 in compliance with Section 227(2) of the Companies Act, 1956.

We have examined the attached Balance Sheet of The Jamshri Ranjitsinghji Spg. & Wvg. Mills Co. Ltd., as at 31st-March, 1997 and the Profit and Loss Account annexed thereto for the year ending on that date, which are in agreement with the Company's books of account and returns.

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, in our opinion, and on the basis of such checks of the books and records as we considered appropriate, and according to the information and explanations given to us during the normal course of audit, which were necessary to the best of our knowledge and belief, we report that :

- i) The Company has maintained records showing full particulars including quantitative details and situation of fixed assets. All the fixed assets have been physically verified by the management during the year and no serious discrepancies were noticed on such verification as compared with the available records.
- ii) The Company has not revalued its fixed assets during the year.
- iii) As explained to us, physical verification has been conducted by the management at reasonable intervals in respect of finished goods, stores, spare parts and raw materials. Stock of finished goods lying with third parties have been confirmed by them.
- iv) The procedure of physical verification by the management, in our opinion is reasonable and adequate in relation to the size of the Company and the nature of its business.
- v) No material discrepancies have been noticed on physical verification of stocks as compared to book records.
- vi) In our opinion the valuation of stock 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 except for a temporary unsecured loan from Damani Textile Company whereof the rate of interest and the terms and conditions are prima facie not prejudicial to the interests of the Company. We have been informed that there are no companies covered under section 370(1-B) 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. We have been informed that there are no companies covered under section 370(1-B) of the Companies Act, 1956.
- ix) The Company has placed inter corporate deposits with other Companies in respect of which the principal and interest are due for repayment after the year end. As regard interest free loan given to certain employees, the principal is being recovered as stipulated.
- x) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of the business with regard to the purchase of stores, raw materials (including components), plant and machinery, equipment and other assets and with regard to the sale of goods.
- xi) The transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the registers maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs.50,000 or more in respect of each party have been made at prices which are reasonable having regard to prevailing market price for such goods or materials or services or the prices at which transactions for similar goods, materials or services have been made with other parties.
- xii) As explained to us, the company has a regular procedure for determining unserviceable and damaged stores and raw materials.
- xiii) The Company has complied with the directives issued by the Reserve Bank of India and the provisions

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of section 58A of the Companies Act, 1956 and the Rules framed thereunder for the deposits accepted from the public.

- xiv) The Company has maintained reasonable records for the sale and disposal of waste. The Company states that other scrap etc. are not significant. The Company does not have any realisable by product.
- xv) The Internal Audit of the Company is being undertaken by an independent firm of Chartered Accountants. In our opinion the scope and coverage of the Internal Audit is commensurate with the size and nature of the business.
- xvi) The Central Government has prescribed the maintenance of cost records under section 209 (1) (d) of the companies act, 1956. On a prima facie examination, such records are duly maintained.
- xvii) The Company is regular in depositing the provident Fund and Employees state Insurance dues with the appropriate authorities.
- xviii) According to the information and explanation given to us, no undisputed amounts payable in respect of Income Tax, sales Tax, Customs Duty, and Excise Duty were outstanding as at 31 st March 1997 for a period of more than six months from the date they became payable.
- xix) According to the information and explanation given to us, no personal expenses of employees or directors have been charged to revenue account, other than those payable under the contractual obligations or in accordance with generally accepted business practice.
- xx) The Company is not a sick Industrial company within the meaning of clause (0) of sub- section (1) of section 3 of the sick Industrial Companies (special provisions) Act 1985.
- xxi) In respect of trading activities of the company, there were, as explained to us, no damaged goods noticed during the year.

Further to the above :

- a) We have obtained all the information and explanation 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 those books.
- c) In our opinion and to the best of our information and according to the explanation given to us, the said accounts read with the notes thereon give the information required by the companies Act, 1956 in the manner so required and give a true and fair view.
 - 1. in the case of the Balance Sheet, of the state of affairs as at 31st March 1997, and
 - 2. in the case of the profit and Loss Account of the profit of the Company for the year ended on that date.

For K. S. AIYAR & CO.
CHARTERED ACCOUNTANTS

Mani A. Aiyar
 Partner

Place : Mumbai.
 Date : 30 th July 1997

THE JAMSHRI RANJITSINGHJI SPG. & WVG. MILLS CO. LTD.

BALANCE SHEET AS AT 31ST MARCH, 1997

	SCHEDULE NO.	CURRENT YEAR RS. Rs.	PREVIOUS YEAR RS.
I SOURCES OF FUNDS :			
SHARE CAPITAL	(A)	34936990	34936390
RESERVES & SURPLUS	(B)	283838378	287453942
SECURED LOANS	(C)	188660911	210712382
UNSECURED LOANS	(D)	23360249	30864432
		<u>530796528</u>	<u>563967146</u>
II APPLICATION OF FUNDS			
FIXED ASSETS	(E)	209405908	235752724
INVESTMENTS	(F)	8006669	7929917
CURRENT ASSETS,			
LOANS & ADVANCES:	(G)	486528425	504020813
LESS: CURRENT LIABILITIES & PROVISIONS	(H)	178564820	190055879
		<u>307963605</u>	<u>313964934</u>
MISCELLANEOUS EXPENDITURE	(I)	5420346	6319571
		<u>530796528</u>	<u>563967146</u>

AS PER OUR REPORT OF DATE
FOR K. S. AIYAR & CO
 CHARTERED ACCOUNTANTS

MANI A AIYER
 PARTNER

P.R. DAMANI
 CHAIRMAN & MANAGING DIRECTOR

R.L. SHAH
 SECRETARY

KIRANBHAI J. SHAH
 DIRECTOR

Place : Mumbai
 Date : 30th July, 1997

Mumbai, 29th, July 1997.