



**Jamshri**

90th  
Annual Report  
and Accounts  
1997-98



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## 10TH ANNUAL REPORT

BOARD OF DIRECTORS	: Shri Prem Ratan Damani Chairman & Managing Director Shri Navratna Damani Shri E.A.K. Faizulla Khay Shri Bhaskar G. Kakadi Shri R.N. Joshi Shri Kiranbhai J. Shah Shri S.K. Sonmay Shri G.A. Tadas (Nominating Director I.D.B.I.)
SOLICITORS	: M/s. Mulla & Mulla & Co. Bunt & Caroe
AUDITORS	: M/s. K.S. Aiyer & Co. Chartered Accountants
BANKERS	: Bank of India
SECRETARY	: Shri. R.L. Shah
MILL	: Solapur
REGISTERED OFFICE	: Fatchchand Damani Nagar, Station Road, Solapur - 412 001.

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

NOTICE is hereby given that the Ninetieth Annual General Meeting of the Shareholders of THE JAMSHRI RANJITSINGHJI SPG. & WVG. MILLS CO. LTD. will be held at the Company's Registered Office at Fatehchand Damani Nagar, Station Road, Solapur - 413 001, on Monday the 28th September, 1998 at 4.00 P.M. (S.T.) to transact the following business :

- 1) To receive and adopt the Directors' Report and Audited Balance Sheet as at 31st March, 1998 and Profit & Loss Account for the year ended 31st March, 1998.
- 2) To appoint a Director in place of Shri R.N. Joshi, who retires by rotation but being eligible, offers himself for reappointment.
- 3) To appoint a Director in place of Shri S.K. Somany, who retires by rotation but being eligible, offers himself for reappointment.
- 4) To appoint Auditors and to fix their remuneration.

**SPECIAL BUSINESS**

- 5) To consider and if thought fit to pass, with or without modifications, the following Resolution as a Special Resolution :

"RESOLVED THAT subject to the consent accorded by the Shareholders under the provisions contained in Section 314 and other applicable provisions, if any, of the Companies Act, 1956, Messrs Damani Textiles Company (Proprietor: N.R. Damani H.U.F.) be and are hereby reappointed as one of the guaranteed Selling Agents for the sale of the products of the Company for a period of 36 months with effect from 1st September, 1998 upon the terms and conditions set out in the Selling Agency Agreement entered into between the Company of the One Part and M/s. Damani Textiles Company (Proprietor: N.R. Damani H.U.F.) of the Other Part."

By Order of the Board of Directors

PLACE : MUMBAI  
DATE : 29TH JUNE, 1998

**R.L. SHAH**  
SECRETARY

**NOTES**

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
- (b) The Register of Members and Share Transfer Books in respect of Equity Shares of the Company will remain closed from 1/9/1998 to 10/9/1998 (both days inclusive).
- (c) Shareholders are requested to intimate immediately any change in their registered address.
- (d) Those members who have so far not encashed their dividends for the financial year ended 31st March, 1995 may claim or approach the Company for payment as the same will be transferred to the General Revenue Account of the Central Government on or before 16/11/1998.
- (e) The unclaimed dividend for the financial year of the Company ended 31st March, 1994 amounting to Rs.92,882/- has already been transferred to the General Revenue Account of the Central Government in terms of the provisions of the Section 205 of the Companies Act, 1956. Those shareholders who have so far not claimed or collected their dividend for the said Financial year may claim their dividend from the Registrar of the Companies, Maharashtra by submitting an application in the prescribed form.
- (f) Shareholders seeking any information with regard to Accounts are requested to write to the Company early so as to enable the management to keep the information ready.
- (g) Members holding more than one share certificate in the same name under different ledger folios are requested to apply for consolidation of such Folios and send relevant share certificates for effecting the same.

By Order of the Board of Directors

PLACE : MUMBAI  
DATE : 29TH JUNE, 1998

**R.L. SHAH**  
SECRETARY

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**EXPLANATORY STATEMENT AS REQUIRED UNDER  
SECTION 173 OF THE COMPANIES ACT, 1956.**

In conformity with provisions of Section 173 of the Companies Act, 1956 the following Explanatory Statement sets out all the material facts relating to Item No.5 mentioned in the accompanying Notice dated 29th June, 1998.

**ITEM NO.5**

Damani Textiles Company (Proprietor: N.R. Damani H.U.F.) have been active as one of the Guaranteed Selling Agents of the Company for the sale of the products manufactured by the Company in the whole of India for long time and the last agreement will expire on 31st August, 1998.

The said Damani Textiles Company have been rendering satisfactory service as one of the Guaranteed Selling Agents by providing market intelligence reports, assisting the Company in developing new products and also providing necessary feed back from the market concerning such new products. The said Damani Textiles Company have also advising the Company from time to time about the trend in the market and likely changes in the consumers' tastes. The said Damani Textiles Company, subject to the consent of the shareholders, are being reappointed as one of the Guaranteed Selling Agents for the period of 36 months from 1st September, 1998. The salient features contained in the said draft Selling Agents Agreement are :

- (1) The Guaranteed Selling Agents shall deposit with the Company a sum of Rupees 25,000/- on which interest @ 14% would be payable.
- (2) A commission calculated @ 1.5% will be paid on the ex-mill sale value of the products of the Company sold through them. Out of the commission of 1.5% payable, 3/4% will be for the services rendered for the sale of the products of the Company and the balance 3/4% will be considered as commission paid to them in consideration of their undertaking to fulfil the due and full payment of the value of the goods sold through them.
- (3) The Company shall have the power to appoint, at its absolute discretion, as many further Selling Agents as it may deem fit and proper for the purpose of sale of its products.

The agreement referred to above is available for inspection at the Registered Office of the Company between 11.30 a.m. to 2.00 p.m. on any working day of the Company. Outstation shareholders requiring a copy of agreement may, write to the Company to that intent and on getting such a written request, a copy of the agreement shall be made available to them, free of cost.

The Directors commend the above Special Resolution to your approval. Shri N.R. Damani a Director of the Company is the Karta of N.R. Damani (H.U.F.), the proprietor of the said Damani Textiles Company. He is therefore, interested in and concerned with the item of the business in as much as he as well as Members of his family are Members of N.R. Damani (H.U.F.). Shri P.R. Damani is related to Shri N.R. Damani and is also interested in and concerned in the appointment of the said Damani Textiles Company as Guaranteed Selling Agents. Shri P.R. Damani, however, does not have any pecuniary interest in the aforesaid appointment.

PLACE : MUMBAI

DATE : 29TH JUNE, 1998

By Order of the Board of Directors

R.L. SHAH

SECRETARY

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

### NINETIETH REPORT OF THE DIRECTORS

We present our Annual Report of the Company with the audited statement of accounts for the year ended 31st March, 1998.

#### 1. FINANCIAL RESULTS

	1997-98	1996-97
Gross Profit/(Loss)	(41,76,397)	2,78,30,791
<b>ADDITIONS/DEDUCTIONS</b>		
Depreciation	2,77,93,195	2,60,71,722
Profit/(Loss) before taxation	(3,19,69,592)	17,59,069
Less : Provision for taxation	—	2,50,000
Add : Balance brought forward	88,27,260	1,04,63,500
: Income Tax Refund of earlier years	—	7,04,451
Transfer from Debenture Redemption Reserve	1,27,05,000	—
Transfer from Capital Reserve	22,69,597	—
(Being Profit on sale of Capital Assets in earlier years)		
Profit/(Loss) dealt with as under	(81,67,735)	1,26,77,020
Proposed Dividend	—	34,99,782
Income Tax on proposed Dividend	—	3,49,978
Surplus/(Deficit) carried to Balance Sheet	(81,67,735)	88,27,260

#### 2. DIVIDEND

In view of losses suffered by the Company it is not possible for the Directors to recommend any dividend.

#### 3. WORKING

The working for the year under review was adversely effected due to steep increase in the Cost of Power/Fuel and Colour, Chemicals. This increase in cost could not be passed on to the customers due to continued sluggish market condition. The devaluation of major currencies in far east countries has made their product more competitive. This has affected the growth of our exports. The over all liquidity crunch continued during the year resulting into higher cost. The benefit envisaged on account of lower interest charge on Foreign Currency Loans was lost due to weakening of Indian Rupee.

The Company has been exporting the products of Chemiequip Ltd. for last ten years and have been able to establish their products in the international market. At present Chemiequip's rehabilitation package is under consideration of BIFR. The directors however do not feel it necessary to make any provision for devaluation in the value of the shares considering the long term business association with the Company. The qualification from the auditors may be read in that perspective.

#### 4. CURRENT OUTLOOK

Considering present economic turmoil worldwide and volatile fluctuations in the different foreign currencies the exports market is likely to be unstable for the time being. However looking to the Government's thrust for boosting exports, the remedial measure to counteract the present situation is expected soon. The efforts are being continued to



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promote sales of Company's product in new market. Expected good monsoon will also help in increasing the buying power of rural customers and the demand in the domestic market is likely to improve. Also with good monsoon availability of good quality cotton is expected to increase. This will help to establish the Company's product in more quality conscious markets in abroad. The process of getting ISO 9002 certification is in progress and this will also be helpful in increasing the exports of yarn from the new Unit.

### 5. DIRECTORS

Shri D.C.Gandhi and Shri G.D.Binani resigned from the Board of Directors. The Directors wish to place on record their valuable contribution to the growth of the Company during their tenure as directors on the Board.

Under Articles 146 of the Articles of Association of the Company, Shri R.N. Joshi and Shri S.K. Somany 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.2,52,05,000/- An amount of Rs.3,87,000/- remained unclaimed as on 31st March, 1998 of which Rs.1,80,000/- has been repaid or renewed at the option of the Depositors leaving a balance of Rs.2,07,000/- unclaimed.

### 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 annexure to the Directors Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and the Accounts is being sent to all shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining such particulars may write to the Secretary at the Registered Office of the Company.

### 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 appreciation of contributions 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 of Directors

**P.R. DAMANI**

CHAIRMAN

PLACE : MUMBAI

DATE : 29TH JUNE, 1998

## 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) Replacement of conventional v belts with cog belts on 48 Ring Frames.
- ii) Installation of water level guard on all open wells.
- iii) Installation of True Tube light of 36w in weaving shed.
- iv) Fuel saver fitted on loop ager boiler.
- v) Monitoring and attending to power consumption of Ring Frames by means of ENERCON digital instrument.
- vi) Monitoring Blow downs on boiler.
- vii) Rotary screen curing chamber changed from electric heating to thermic fluid heating
- viii) Replacement of energy saving spindles on one ring frame.

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

- i) Replacement of Cog belts on remaining 20 ring frames.
- ii) Replacement of energy saving spindles on further ring frames.

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

- i) Replacement of cog belts would lead to better life, of belts & lower power consumption.
- ii) Installation of water level guard would increase the life of pump and reduce power consumption.
- iii) Installation of true tube light would increase illumination and lead to reduce lights requirement, thereby lower power consumption.
- iv) Fuel saver would lead reduction in consumption of L.D.O.
- 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 topper for synthetic blends.
- vii) Replacement of energy saving spindles would lead to reduced power consumption as well as better production by increasing speed.
- viii) Modification of Rotary screen curing chamber would lead to conserve the energy.
- ix) Monitoring of power consumption and boiler blow downs would lead to control energy consumption
- x) ONCE AGAIN, THE NATIONAL ENERGY CONSERVATION AWARD 1997 WAS CONFERED TO US BY THE VICE PRESIDENT ON NATIONAL ENERGY CONSERVATION DAY, 14TH DECEMBER 1997.

##### **(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 products & services and export plans. | } Mentioned<br>} in the<br>} Directors' Report |
| (g) Total foreign exchange earned & used   | (Rs.in Lakhs)                                  |
| i) Foreign Currency earned.  | 2132   |
| ii) Foreign Currency used.   | 436  |



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## FORM "A"

## A. POWER AND FUEL CONSUMPTION

	CURRENT YEAR	PREVIOUS YEAR
<b>1. Electricity</b>		
a) Purchased		
Unit (kwh) in lacs	155.18	152.01
Total Amount (Rs. in lacs)	609.81	497.59
Rate/Unit (Rs.)	3.93	3.27
b) Own generation through Diesel Generator		
Units (KWH) in lacs	11.40	1.11
Units/Litre of Diesel Oil	33.08	3.41
Cost/unit Rs.	3.08	2.76
<b>2. Coal</b>		
Quantity in M.Tons.	554.40	2362.93
Total Cost (Rs. in lacs)	107.90	41.38
Average Rate (Rs./M.Tons)	194.80	1751.27
<b>3. Other Fuels</b>		
Quantity in M.Tons.	6186.35	13435.69
Total Cost (Rs. in lacs)	51.45	56.93
Average Rate (Rs./M.Tons)	83.33	423.71
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>		
1. Electricity (Units)		
per kg of yarn	3.83	4.22
per linear metre of fabric	1.43	1.26
2. Fuels (Rs.)		
per kg of yarn	3.40	2.73
per linear metre of fabric	1.53	0.82

## FORM - B

Form for disclosure of particulars with respect of Technology Absorption 1997-98

## RESEARCH AND DEVELOPMENT (R &amp; D)

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

- Process modified for carbonising and reduction clearing for printed goods.
- Modification in steam connection for zero zero machine.
- Testing of Tearing strength of fabric has been started.
- Audit going on for ISO 9002 certificate.

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

## a) Product development/improvement.

- The sulphuric acid consumption has come down by 10% whiteness & brightness have improved on white ground and khadi printed goods.
- Feel of pre shrunk fabric has improved.
- Rejection of defence suiting has come down.
- I.S.O.9002 Certification is awaited.

## 2) Import substitution.

## 3) FURTHER PLAN OF ACTION

Projects proposed for the following.

- To start perspiration fastness on dyed fabric..
- To procure laundro metere and start washing fastness of the fabric as per IS-764-1979

## 4) EXPENDITURE ON R &amp; D

	Rs. in lacs.
a) Capital.	2.87
b) Recurring.	8.77
c) Total	11.64
d) Total R & D expenditure as a percentage of total turnover(%)	0.16

## TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION.

- Efforts in brief made towards technology absorpctn, adaption and innovation and benefits desired as a result there of:-

- We have successfully started thermic fluid heater in place of electric heater
- Traditional use of caustic soda solution for reduction clearing has been replaced by soda ash.
- Minor innovations are regularly carried out from time to time to encounter problems envisaged day to day.