



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

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**91st  
Annual Report  
and Accounts  
1998-99**

*91st Annual Report*

**BOARD OF DIRECTORS**

**Shri Prem Ratan Damani**

*Chairman & Managing Director*

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

**ADVISERS**

**Shri J.P. Singhal**

**Shri S.R. Gandhi**

**GENERAL MANAGER**

**Shri J.M. Adhia**

**SOLICITORS**

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

**AUDITORS**

**M/s. K.S. Aiyar & Co.**

*Chartered Accountants*

**BANKERS**

**Bank of India**

**MILL &  
REGISTERED OFFICE**

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

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

NOTICE is hereby given that the Ninety- first 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 Thursday the 30th September, 1999 at 12.30P.M. (S.T.) to transact the following business:

- 1) To receive and adopt the Directors' Reports and Audited Balance Sheet as at 31st March, 1999 and Profit & Loss account for the year ended 31st March, 1999.
- 2) To appoint a Director in place of Shri E.A.K. Faizullahbhoj who retires by rotation but being eligible, offers himself for reappointment.
- 3) To appoint a Director in place of Shri N.R. Damani, 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 special resolution :

"RESOVLED THAT the consent of the company be and is hereby accorded in terms of Section 293(1) (a) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company to mortgage and/or create charges on all or any of the assets and properties, immovable as well as movable of the Company wherever so situate present and future and whole of the undertaking of the Company and/or conferring power to enter upon and take possession of the assets of the Company in certain events to or in favour of Industrial Development Bank of India to secure by way of First Charge for Secured Non-Convertible Debentures not exceeding Rs. 350 Lacs subscribed/to be subscribed by Industrial Development Bank of India."

Place : Mumbai  
Date : 30th July, 1999

By Order of the Board of Directors  
**P.R. Damani**  
Managing Director

**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 15th September, 1999 to 22nd September, 1999 (both days inclusive).
- c) Shareholders are requested to intimate immediately any change in their registered address.
- d) Members are hereby informed that dividends which remain unclaimed/unencashed over a period of seven years have to be transferred by the Company to the Investor Education & Protection Fund which shall be constituted by the Central Government under Sec. 205 (A) & 205 (C) of the Companies Act, 1956 as amended upto date.
- e) The unclaimed dividend for the financial year of the Company ended 31st March, 1995 amounting to Rs. 1,50, 916= 50p. 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, Pune 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.

Place : Mumbai  
Date : 30th July, 1999

By Order of the Board of Directors  
**P.R. Damani**  
Managing Director

**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 30th July, 1999.

**ITEM NO. 5**

The Company has negotiated for subscription of Non-Convertible Debentures of Rs. 350 Lacs from Industrial Development Bank of India for working capital requirements. The Company is required to give first charge on its Fixed Assets for these Debentures ranking pari passu with the existing charge holders. None of the Directors is, in any way, concerned or interested in the Resolution. Directors commend the Special Resolution to your approval.

Place : Mumbai

Date : 30th July, 1999

By Order of the Board of Directors

**P.R. Damani**

Managing Director

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**THE JAMSHRI RANJITSINGHI SPG. & WVG. MILLS CO. LTD.****NINETYFIRST REPORT OF THE DIRECTORS**

We present our Annual Report of the Company with the audited statement of accounts for the year ended 31st March, 1999.

**1. FINANCIAL RESULTS**

	1998-99	1997-98
Gross Profit/(Loss)	(11,59,97,158)	(41,76,397)
<b>ADDITIONS/DEDUCTIONS</b>		
Depreciation	3,24,74,233	2,77,93,195
Profit/(Loss) before taxation	(14,84,71,391)	(3,19,69,592)
Add : Balance brought forward	(81,67,735)	88,27,260
: Income Tax Refund of earlier years	39,188	—
Transfer from Debenture Redemption Reserve	8,75,000	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	(15,57,24,938)	(81,67,735)
Surplus/(Deficit) carried to Balance Sheet	(15,57,24,938)	(81,67,735)

**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 affected due to sudden change-over in production plan from exports to domestic market. This step was inevitable because of de-valuation of major currencies in Far East Countries. With this de-valuation, our products were no longer competitive and the overseas customers switched over to Far East Countries for their requirements. With this sudden change in demand pattern overseas, establishing new product in domestic market during such severe recessionary period was very difficult. In such circumstances, there was no other alternative but to cut down production of fabric. Further due to sluggish market conditions, the inventory levels increased leading to higher finance cost. Also increase in cost of power, fuel, colour chemicals, etc. could not be passed on in this market situation. The benefit envisaged on account of lower interest charge on foreign currency loans was also 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, the Government's thrust for boosting exports the remedial measure to counteract the present situation is expected soon. The efforts are being continued to promote sales of Company's products 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 Company has received ISO 9002 certification during the year. This will facilitate Company's efforts for increasing exports.

#### 5. DIRECTORS

Under Articles 146 of the Articles of Association of the Company, Shri E.A.K. Faizullahoy 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. Y 2 K COMPLIANCE

The Y 2 K Compliance is almost complete and systems were upgraded. No difficulty was faced in trial runs and the constant monitoring is also done in the matter to keep the systems free from error. The expenditure to ensure Y2K compliance is not expected to have any material impact.

#### 8. PUBLIC DEPOSITS:

Fixed Deposits at the end of the year stood at Rs.2,03,84,000/=. An amount of Rs.12,00,000/= remained unclaimed as on 31st March, 1999 of which Rs.9,03,000/= has been repaid or renewed at the option of the Depositors leaving a balance of Rs.2,97,000/= unclaimed.

#### 9. 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.

#### 10. PARTICULARS OF EMPLOYEES

There are no Employees in receipt of remuneration exceeding Rs.50,000 p.m. or part thereof or Rs.6,00,000 p.a. Accordingly no particulars are furnished u/s 217(2A).

#### 11. 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 contribution made by the employees at all levels to the operation of the Company during the year under review.

#### 12. 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 : 1ST JUNE, 1999



**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) SECONDARY VOLTAGE OF 1500 KVA TRANSFORMER IS MAINTAINED AT 385V THROUGH O.L.T.C. AND A.V.R. IN B-UNIT.
- ii) LIGHTING TRANSFORMER VOLTAGE IS MAINTAINED AT 190 V.
- iii) 3 VENTILATORS IN BLOW ROOM & CARDING DEPARTMENT ARE STOPPED AFTER NECESSARY MODIFICATION IN SUCTION PIPE LINE.
- iv) PNUMAS STOP MOTION ON 6 SPEED FRAME IS CHANGED TO PHOTO ELECTRIC STOP MOTION RESULTING IN STOPPING PNEUMATIC MOTORS.
- v) ALL DO-6 DRAW FRAMES ARE CONNECTED ON STAR AND PNUMAFIL TWO SPEED MOTOR IS CONNECTED TO LOW SPEED ON PV BLENDS.
- vi) SUCTION MOTOR ON 9 RJK WINDING MACHINES ARE STOPPED WHENEVER PV BLENDS ARE WORKED.
- vii) LAN SERVER IS STOPPED AFTER OFFICE HOURS AND DEPARTMENT WORKING IS DONE ON SEPARATE HARD DISK.
- viii) COG BELTS FITTED ON 60 RING FRAMES.
- ix) ABOUT 84 TUBELIGHTS ARE STOPPED AFTER FITTING TL-84 HIGHER ILLUMINATION TUBELIGHT AFTER PROVIDING FALSE CEILING AND REDUCING WORKING HEIGHT.

**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 OF GOODS.**

- i) MAINTAINING OPTIMUM VOLTAGE ON TRANSFORMER WOULD LEAD TO LOWER POWER CONSUMPTION.
- ii) LIGHTING VOLTAGE UPTO 190 V WOULD REDUCE POWER CONSUMPTION AND INCREASE THE LIFE OF THE TUBELIGHTS.
- iii) MODIFICATION IN EXHAUST DUST AND THEREBY STOPPING VENTILATORS WOULD SAVE ENERGY.
- iv) PNUMAS STOP MOTION REQUIRES HIGHER ENERGY AND CHANGING THE SYSTEM TO PHOTOCELL WOULD SAVE CONSIDERABLE ENERGY.
- v) CHANGES MADE ON DO-6 WOULD CURB UNNECESSARY WASTE OF ENERGY.
- vi) STOPPING LAN SERVER FOR 14 HRS WOULD NOT ONLY SAVE THE ENERGY BUT REDUCE WEAR & TEAR OF HARDWARE & ANCILLARIES LIKE AIR CONDITIONERS.
- vii) REPLACEMENT OF COG BELTS WOULD IMPROVE LIFE OF BELTS & LEAD TO LOWER POWER CONSUMPTION.
- viii) STOPPING TUBELIGHTS AFTER NECESSARY MODIFICATION & KEEPING SAME AT ILLUMINATION LEVEL WOULD SAVE THE ENERGY.
- ix) THE NATIONAL ENERGY CONSERVATION AWARD 1998 WAS CONFERRED ON US FOR THE THIRD CONSECUTIVE YEAR.

**d. TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF THE PRODUCTION FORM-A ENCLOSED.****B. TECHNOLOGY ABSORPTION****e. EFFORTS MADE IN TECHNOLOGY ABSORPTION AS PER FORM-B ENCLOSED.****C. FOREIGN EXCHANGE EARNING AND OUTGO. (RS. IN LACS)**

- |                            |     |
|----------------------------|-----|
| i) FOREIGN CURRENCY EARNED | 655 |
| ii) FOREIGN CURRENCY USED. | 224 |

**FORM "A"****A. POWER AND FUEL CONSUMPTION**

	CURRENT YEAR	PREVIOUS YEAR
<b>1. Electricity</b>		
a) Purchased		
Unit (kwh) in lacs	177.41	168.18
Total Amount (Rs. in lacs)	677.39	609.81
Rate/Unit (Rs.)	3.82	3.63
b) Own generation through Diesel Generator		
Units (KWH) in lacs	6.55	11.40
Units/Litre of Diesel Oil	31.73	35.08
Cost/unit Rs.	4.84	3.08
<b>2. Coal</b>		
Quantity in M.Tons.	2312.19	5545.40
Total Cost (Rs. in lacs)	40.66	107.90
Average Rate (Rs./M.Tons)	1758.51	1945.80
<b>3. Other Fuels</b>		
Quantity in M.Tons.	7151.34	6186.35
Total Cost (Rs. in lacs)	51.34	51.65
<b>Average Rate (Rs./M.Tons)</b>	717.91	834.83
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>		
1. Electricity (Units)		
per kg of yarn	3.49	3.83
per linear metre of fabric	2.53	1.53
2. Fuels (Rs.)		
per kg of yarn	1.75	3.40
per linear metre of fabric	1.27	1.53

**FORM - B****FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT OF TECHNOLOGY ABSORPTION 1998-99 RESEARCH AND DEVELOPMENT (R & D)****1. SPECIFIC AREAS IN WHICH R & D CARRIED OUT BY THE COMPANY.**

- ISO - 9002 CERTIFICATE WAS ACCREATED BY B I S.
- SURVEILLANCE AUDIT WAS ALSO CARRIED OUT BY B I S.
- TESTING OF RUBBING FASTNESS BY CROCK METER IS STARTED.
- LAUNDRO METER IS PROCURED AND TESTING OF WASHING FASTNESS IS STARTED.

**2. BENEFIT DERIVED AS A RESULT OF THE ABOVE R & D.****a) PRODUCT DEVELOPMENT/IMPROVEMENT**

- PROPER DOCUMENTATION AND SYSTEMS ARE DEVELOPED FOR PROCEDURE TO MANUFACTURE & SUPPLY QUALITY PRODUCTS.
- WE HAVE INCREASED THE BUSINESS WITH DEFENCE AS QUALITY PRODUCTS DULY TESTED GOT APPROVED.

**3. IMPORT SUBSTITUTION**

WE HAVE DEVELOPED SUBSTITUTION OF MANY IMPORTED COLOUR & CHEMICALS AND REPLACEMENT OF SAME FROM TIME TO TIME.

**4. FURTHER PLAN OF ACTION**

WE SHALL ENDEAVOUR TO BRING OUR YARN QUALITY BELOW 25% USTER NORMS BY IDENTIFYING AND ATTENDING TO PROCESS PARAMETERS.

**5. EXPENDITURE ON R & D****(RS. IN LACS)**

- |  |             |
|--|-------------|
| a) CAPITAL   | 0.72        |
| b) RECURRING   | 7.09        |
| c) <b>TOTAL</b>  | <b>7.81</b> |
| d) TOTAL R & D EXPENDITURE AS A PERCENTAGE OF TOTAL TURNOVER | 0.11        |

**TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATIONS**

EFFORTS IN BRIEF MADE TOWARDS TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION AND BENEFITS AS A RESULT THEREOF.

- COMPOUND LIGHTS ARE SWITCHED OFF AND ON AUTOMATICALLY THROUGH LIGHT INTENSITY METER.
- LC-300 NEW GENERATION CARDING MACHINES ARE INSTALLED AND COMMISSIONED.
- MINOR INNOVATIONS ARE REGULARLY CARRIED OUT TO COUNTER PROBLEMS ENVISAGED DAY TO DAY.