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

**93rd Annual Report and Accounts
2000 - 2001**

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

BOARD OF DIRECTORS

Shri Prem Ratan Damani
Chairman & Managing Director
Shri Navratan Damani
Shri E.A.K. Faizullahoy
Shri R. N. Joshi
Shri Kiranbhai J. Shah
Shri S. K. Somany

ADVISORS

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

LISTED AT

The Stock Exchange, Mumbai
The Stock Exchange, Ahmedabad
The Calcutta Stock Exchange Association Ltd. Calcutta
The Delhi Stock Exchange Association Ltd. New Delhi
The Madras Stock Exchange Ltd. Chennai

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NOTICE

NOTICE is hereby given that the Ninety Third Annual General Meeting of the Shareholders of THE JAMSHRI RANJITSINGHI SPG. & WVG. MILLS CO. LTD., will be held at the Company's Registered office at Fatehchand Damani Nagar, Station Road, Solapur - 413 001, on Friday, the 28th day of September, 2001 at 12.30 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, 2001.
- 2) To Appoint a Director in place of Shri S. K. Somany, who retires by rotation but, being eligible, offers himself for reappointment.
- 3) To Appoint a Director in place of Shri E.A.K. Faizullahoy, 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 Messers Damani Textiles Company (Proprietor: N.R. Damani H.U.F.) be and are hereby re-appointed 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, 2001 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."

MUMBAI
DATED : 27th July, 2001

By Order of the Board of Directors
P.R. DAMANI
CHAIRMAN

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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 Shares Transfer Books in respect of Equity Shares of the Company will remain closed from THURSDAY, 13th September, 2001 to THURSDAY, 20th September, 2001 (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 will be transferred by the Company to the Investor Education & Protection Fund of the Central Government under Sec.205(A) & 205(C) of the Companies Act, 1956 as amended up-to date.
- (e) 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.

THE JAMSHRI RANJITSINGHJI SPG. & WVG. MILLS CO.LTD.
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**EXPLANATORY STATEMENT AS REQUIRED UNDER
SECTION 173 OF THE COMPANIES ACT, 1956**

In Conformity with provisions of Section 173 of Companies Act, 1956 the following Explanatory Statement sets out all the material facts relating to item No.5 mentioned in the accompanying Notice dated 27th July, 2001.

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, 2001.

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, 2001. 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, ¾% will be for the service rendered for the sale of the products of the Company and the balance ¾% will be considered as commission paid to them in consideration of their undertaking to fulfill 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.

MUMBAI
DATED: 27th July, 2001

By Order of the Board of Directors
P.R. DAMANI
CHAIRMAN

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NINETYTHIRD REPORT OF THE DIRECTORS

WE PRESENT OUR ANNUAL REPORT OF THE COMPANY WITH THE AUDITED STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2001.

1. FINANCIAL RESULTS

	<u>2000-2001</u>	<u>1999-2000</u>
Gross Profit/(Loss)	(2,17,78,722)	(1,75,49,158)
ADDITIONS/DEDUCTIONS		
Depreciation	3,19,60,690	3,19,10,706
Profit/(Loss) before taxation	(5,37,39,412)	(4,94,59,864)
Add : Balance brought forward	(20,56,25,211)	(15,57,24,938)
Income Tax of earlier years	-	(440409)
Profit (Loss) dealt with as under	(25,93,64,623)	(20,56,25,211)
Surplus (Deficit) carried to Balance Sheet	(25,93,64,623)	(20,56,25,211)

2. DIVIDEND

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

3. RESPONSIBILITY STATEMENT

As stipulated in Section 217(2AA) of Companies Act, 1956, your Directors subscribe to the "Directors' Responsibility Statement" and confirm as under :

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) that the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- iii) that the directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the directors have prepared the annual accounts on a going concern basis.

4. WORKING

The recessionary trend in the Textile Industry continued during the year under the review. Further the changes in the excise duty structures has worsened the situation and has adversely effected the demand of our products in domestic market. Though some corrective measures have been taken by the government to control the unhealthy competition from foreign companies by dumping of their products in our country. it may take some more time to realise the impact of same in domestic market. The efforts for maximising the production and reduction in cost continued but these efforts were more than set off by the continuous downward trend in the market for company's products.

The re-habilitation package of Chemiequip is still under consideration of BIFR and therefore no provision for diminution in the value of the shares is considered.

5. CURRENT OUTLOOK

The measures taken by Government to check the dumping of Textiles products in our country by foreigners may improve the demand for company's products in domestic market. Further continued efforts for reduction in Cost of Production / Administration / Marketing etc may help to increase our market share in present competitive market. Good monsoon all over the country and flexibility in government policy for Import / Export of Cotton will also be helpful in improving the performance of the Company.

6. DIRECTORS

Under Articles 146 of the Articles of Association of the Company, Shri S.K. Somany and Shri E.A.K. Faizullahoy retire by rotation and are eligible for re appointment.

7. INSURANCE

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

8. PUBLIC DEPOSITS

Fixed Deposits at the end of the year stood at Rs.77,73,000/- An amount of Rs.1,47,000/- remained unclaimed as on 31st March, 2001 of which Rs.47,000/- has been repaid leaving a balance of Rs.1,00,000/- unclaimed.

9. DEMATERIALISATION OF SHARES

During the year, your Company's shares have started trading compulsorily in electronic form and your Company has appointed M/s. Computech Sharecap Limited as Registrars who have connectivity with both the depositories viz. National Securities Depository Ltd.(NSDL) and Central Depository Services Ltd.(CDSL). In view of the benefits of the Depository System, members may avail the demat facility of the Company's shares on either of the said Depositories.

10. 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.

11. PARTICULARS OF EMPLOYEES

There is no Employee in receipt of remuneration exceeding Rs.1,00,000 p.m. or part thereof or Rs.12,00,000 p.a. Accordingly no particulars are furnished u/s 217(2A).

12. 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 operations of the Company during the year under review.

13. 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.

Place: Mumbai

Date : 28th June, 2001

For and on behalf of the Board of Directors

P.R. DAMANI

CHAIRMAN

THE JAMSHIRANJITSINGHJI SPG. & WVG. MILLS CO.LTD.
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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) THE TRANSFORMERS ARE STOPPED WHEN LOAD IS LESS TO AVOID ENERGY CURRENT LOSS
- ii) THE POWER FACTOR IS ALWAYS MAINTAINED IN THE VICINITY OF 0.99
- iii) THE CONVENTIONAL TUBE LIGHTS 48 NOS ARE REPLACED BY TRUE LIGHT TL-84 IN SPEED FRAME DEPARTMENT.
- iv) THE SPEED FRAME MOTORS 3 NOS ARE CONVERTED FROM 10 HP TO 7.5 HP.
- v) THE WATER LEVEL CONTROLLER IS INSTALLED ON WATER PUMP OF S.Q.C. DEPARTMENT.
- vi) THE COOLING WATER FROM DYEING DEPARTMENT IS TAKEN TO BOILER.
- vii) THE TAMARIND POWDER IS USED AS A FUEL IN CETHER VESSEL F B C BOILER.
- viii) THE RING FRAME SPINDLES OF ONE MACHINE (1008) ARE CHANGED FROM M-21 TO M-19.
- ix) THE NEW RING FRAMES LR-6 WITH 38 MM RING & OTHER ENERGY SAVING EQUIPMENTS ARE INSTALLED.

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

- i) REPLACEMENT OF OLD CABLES.
- ii) REPLACEMENT OF 36 W TUBE LIGHTS BY 11 W TUBE LIGHTS IN CARDING DEPARTMENT.
- iii) REPLACEMENT OF 5 NOS OLD TEXMACO RING FRAMES BY ENERGY EFFICIENT LR-6 FRAME.

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

- i) THE STOPPING OF TRANSFORMER HAS REDUCED ENERGY CONSUMPTION.
- ii) MAINTAINING POWER FACTOR AT 0.99 LEVEL HAS INCREASED THE EFFICIENCY OF PLANT & ENERGY BILL IS REDUCED.
- iii) REPLACEMENT OF 36 W CONVENTIONAL TUBE LIGHT BY TRUE LIGHT HAS SAVED ENERGY AND INCREASED ILLUMINATION.
- iv) THE CONVERSION OF SPEED FRAME MOTOR FROM 10 HP TO 7.5 HP HAS RESULTED IN ENERGY SAVING.
- v) INSTALLATION OF WATER GUARD HAS REDUCED ELECTRICITY CONSUMPTION.
- vi) THE TAMARIND POWDER HAS REPLACED CONVENTIONAL FUEL LIKE COAL AND SAVED THERMAL ENERGY.
- vii) ENERGY EFFICIENT SPINDLES PUT ON RING FRAMES HAVE SAVED ENERGY CONSUMPTION.
- viii) INSTALLATION OF 3 NOS NEW LR-6 ENERGY EFFICIENT RING FRAMES HAVE REDUCED COST OF PRODUCTION.

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 | 340.00 |
| ii) FOREIGN CURRENCY USED | 66.95 |

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FORM "A"

A. POWER AND FUEL CONSUMPTION

CURRENT YEAR
1.4.2000 - 31.3.2001

PREVIOUS YEAR
1.4.99 - 31.3.2000

1. Electricity

a) Purchased		
Unit (kwh)in lacs	179.60	183.44
Total Amount (Rs.in lacs)	700.43	741.09
Rate/Unit (Rs.)	3.90	4.03
b) Own generation through Diesel Generator		
Units (KWH) in lacs	0.03	0.17
Total Cost (Rs. in lacs)	0.16	0.83
Cost/unit Rs.	6.46	4.88

2. Coal

Quantity in M.Tons.	1003.67	861.66
Total Cost (Rs.in lacs)	20.85	16.84
Average Rate (Rs./M.Tons)	2077.38	1954.55

3. Other Fuels

Quantity in M.Tons	9420.27	10364.22
Total Cost (Rs.in lacs)	60.74	50.32
Average Rate (Rs./M.Tons)	644.78	485.55

B.CONSUMPTION PER UNIT OF PRODUCTION

1. Electricity (Units)		
per kg of yarn	3.46	2.93
per linear metre of fabric	3.34	2.83
2. Fuels (Rs.)		
per kg of yarn	1.56	1.06
per linear metre of fabric	1.51	1.02

FORM "B"

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT OF TECHNOLOGY ABSORPTION 2000 - 2001 RESEARCH AND DEVELOPMENT (R & D)

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

- i) SURVEILLANCE AUDIT WAS CARRIED OUT BY B.I.S. FOR ISO-9002
- ii) FULL FLEDGED TESTING CARRIED OUT FOR DEFENCE FABRIC.
- iii) THE ACTIVITIES OF QUALITY CIRCLES MONITORED REGULARLY.
- iv) YARN CLASSMATE TESTING IS STARTED.

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

- a) PRODUCT DEVELOPMENT / IMPROVEMENT
 - i) PROPER DOCUMENTATION AND SYSTEMS ARE DEVELOPED FOR PROCEDURE TO MANUFACTURE AND SUPPLY QUALITY PRODUCTS.
 - ii) WE HAVE INCREASED THE BUSINESS WITH DEFENCE AS QUALITY PRODUCTS DULY TESTED GOT APPROVED.
 - iii) WE HAVE WON TWO AWARDS FROM NCQC FOR POSTER & SLOGAN COMPETITIONS.
 - iv) QUALITY OF YARN IS IMPROVED.

3. FURTHER PLAN OF ACTION.

- i) TO ESTABLISH QUALITY OF DOUBLE YARN BY IDENTIFYING AND ATTENDING PROCESS PARAMETERS.

4. EXPENDITURE ON R & D.

(RS. IN LACS)

a) CAPITAL	0.00
b) RECURRING	7.15
c) TOTAL	7.15
d) TOTAL R & D EXPENDITURE AS A PERCENTAGE OF TOTAL TURNOVER	0.10

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

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

- i) THE MARKET SURVEY WAS DONE AND IDENTIFIED THE REQUIREMENT ACCORDINGLY, YARN PARAMETERS WERE MODIFIED.
- ii) NEW TECHNIQUE FOR WORK PRACTICE ARE ADOPTED.
- iii) MINOR INNOVATIONS ARE REGULARLY CARRIED OUT TO COUNTER PROBLEMS ENVISAGED DAY TO DAY.