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**10th**

**Annual Report and Accounts**

**1999 - 2000**

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**TENTH ANNUAL GENERAL MEETING** at the  
The Hotel Olympus, (Opp. Infantry Road, Police  
Station, Bangalore-560001. on Thursday the 29th  
March, at 10.30 A.M.

## BOARD OF DIRECTORS

**Sri S. MUNIRAJU**  
Chairman

**Sri. A.K. ABDULSAMAD**  
Managing Director

**Sri. MOHAMMED MOHSIN**  
Joint Managing Director

## DIRECTORS

Dr. G. Rangaswami  
Sri. J. Mohammed Azam Jan  
Sri. Mohammed Wajid  
Sri. Abdul Qadir A. Rahaman

## AUDITORS

M/s. S. Janardhan & Associates  
Chartered Accountants  
Bangalore

## LEGAL ADVISER

Sri. N. Jayaraman

## BANKERS

State Bank of India  
Industrial Finance Branch  
Residency Road  
Bangalore-560 025.

## FACTORY

Doddajala Post  
Via Bettahalsoor  
Bangalore North-562 157

## REGISTERED OFFICE

City Poing, TF 11/12  
No.13, Infantry Road  
Bangalore-560 001.



## Kareems Spun Silk Limited

### Notice

Notice is hereby given that the 10th Annual General Meeting of the Members of Kareems Spun Silk Limited will be held at The Hotel Olympus (Opp. Infantry Road Police Station) No. 144, Infantry Road, Bangalore 560 001, on Thursday the 29th March 2001 at 10.30 A.M. to transact the following business:

#### ORDINARY BUSINESS :

1. To consider and adopt the audited accounts for the year ended 30th September, 2000 together with the annexures thereto, the Report of the Auditors thereon and the Director's Report.
2. To appoint a Director in place of Sri Mohammed Mohsin, who retires by rotation and who being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Sri Mohammed Wajid, who retires by rotation and who being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Sri S. Muniraju who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint an Auditor till the conclusion of the next Annual General Meeting and to fix their remuneration. The present Auditors, M/s. S. Jaffardhan & Associates, Chartered Accountants, Bangalore, retire at this Annual General Meeting and are eligible for re-appointment.

#### SPECIAL BUSINESS :

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT, in terms of Schedule XIII and pursuant to the provisions of Section 269, 198 and 309 and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the re-appointment of Mr. A.K. Abdul Samad as the Managing Director of the Company for a period of five years with effect from 1st March, 1999.

FURTHER RESOLVED THAT until otherwise decided by the Board, Mr. A.K. Abdul Samad, shall not draw any remuneration, but, however, he shall be provided with a car for office use and reimbursed with conveyance, travelling, entertainment expenses incurred by him for the purpose of the business of the Company.

RESOLVED FURTHER THAT, the Board be and is hereby authorized to do all acts, matters and things including variation in the terms of appointment to give effect to this resolution."

7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the Provisions of Section 146(2)(a) of the Companies Act, 1956, approval be and is hereby accorded to the Company for changing the Registered Office of the Company from TF 11/12, 13 Infantry Road, Bangalore 560001 to Doddajala Post, (Via Bellahalloor), Bellary Road, Bangalore North 562 157"



## Kareems Spun Silk Limited

Not

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

2. The relative Explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of Special Business set out above, is annexed hereto.

3. The Register of Members and the Share Transfer Book of the Company will remain closed from 26.03.01 to 29.03.01 (both days inclusive).

### EXPLANATORY STATEMENT:

(Pursuant to Section 173(2) of the Companies Act, 1956).

Item No.6.

Mr.A.K.Abdul Samad, Managing Director of the Company has completed 5 years term as Managing Director of the Company. Accordingly, the Board of Directors, subject to the approval of the Company in General Meeting, have re-appointed Mr.A.K.Abdul Samad as the Managing Director of the Company for a further period of 5 years w.e.f.1.3.1999. There will be no change in the terms and conditions of his re-appointment.

In terms of Schedule XIII and pursuant to the provisions of Section 269 of the Companies Act, 1956, the appointment/re-appointment of a Managing Director requires the approval of the members in General Meeting. Accordingly, the resolution seeks the approval of Members.

Except Mr.A.K.Abdul Samad, since the resolution relates to his appointment, no other Director is concerned or interested in the resolution.

The above terms and conditions may be deemed to be an Abstract of terms of re-appointment as made by the Board of Directors and as required under Section 302 of the Companies Act 1956.

Item No.7.

As the activities of the Company substantially takes place in the factory premises situated at Doddajala Post, Via Bettahalsoor, Bellary Road, Bangalore North 562157, it will be more convenient and economical to maintain the Statutory Registers, Books and Other Records stipulated under the Companies Act 1956, of the Company if the Registered Office is located inside the factory premises. The company estimates that the cost of maintaining Registered office at the factory premises will substantially get reduced.

Therefore, it is proposed to change the situation of the Registered Office in the Factory premises. The change of situation of the Registered Office from the local limits, town or village to another town or village within the same state requires approval of the Members as per the provisions of the Companies Act 1956. Accordingly, the Resolution seeks the approval of the Members.

None of the Directors is interested in the Resolution except as Members of the Company.

By order of the Board

**A.K. ABDUL SAMAD**  
Managing Director

Place : Bangalore

Date : 31.01.2001

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## Karcems Spun Silk Limited

### DIRECTOR'S REPORT :

To the Members of the Company,

Your Directors hereby present their 10th Annual Report on the business and the operations of your Company and the audited Statement of Accounts for the year ended 30th September, 2000.

### SHARE CAPITAL

The Authorised Share Capital and the paid-up Share Capital of the Company remained at Rs. 10.00 Crores and Rs. 6.50 Crores, respectively.

### PRODUCTION :

During the year under review, the production of Spun Silk Yarn was 2346.50 Kgs.

### SALES :

The Sales turnover during the current year was Rs. 103.04 Lakhs.

The quantity of Spun silk Yarn sold during the year was 2366.30 Kgs.

### PERFORMANCE OF THE COMPANY :

Your Directors report that during the year 1999-2000, the recession in spun silk market continued especially on account of continued export of silk waste, thereby escalating the financial cost. Thus the Company has incurred a Loss of Rs. 369.25 Lakhs. Based on the accumulated losses of the Company for the year ended 30th September 1999, the Company became a Sick Industrial Company within the meaning of Section 3 (1) (o) of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). Accordingly, reference was made to BIFR for the revival of the Company. The Hon. BIFR has declared the Company as a Sick Industrial Company.

### TECHNOLOGY :

By updating the technology, and with the approval of revival package by BIFR the Company anticipates increase in Production/Sales during the year 2000-01.

### BOARD OF DIRECTORS :

Sri Mohammed Mohsin and Sri. Mohammed Wajid, Sri S. Muniraju will be retiring at the ensuing Annual General Meeting by rotation and being eligible, offers themselves for reappointment.

### AUDITORS :

M/s. S. Janardhan & Associates, Chartered Accountants, Bangalore, the Auditors of the Company retire at the conclusion of this Annual General Meeting and being eligible, are recommended for re-appointment.

### DISCLOSURE OF PARTICULARS :

The particulars relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and out-go as required under Section 217 (i)(e) of the Companies Act, 1956, and the Companies (Disclosure of particulars in the Report of Directors) Rules, 1988 are enclosed as part of the report.

for and on behalf of the Board of Directors

**A.K. ABDUL SAMAD**  
Managing Director

**MOHAMMED MOHSIN**  
Joint Managing Director

Place : Bangalore

Date : 31.01.2001