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**For Kovilpatti Lakshmi Roller
Flour Mills Ltd.,**

V. N. Jayaprasadam

**(V. N. JAYAPRASADAM)
EXECUTIVE DIRECTOR**

2002

Annual Report

Report  Junction.com

Kovilpatti Lakshmi Roller Flour Mills Limited

Kovilpatti Lakshmi Roller Flour Mills Limited

Board of Directors

V. JAGANNATHAN

Chairman

K. SELVARAJ

N.V. SRINIVASAN

SUDARSAN VARADARAJ

J. CHANDRAKANTHI

Vice Chairman

SURESH JAGANNATHAN

Managing Director

V.N. JAYAPRAKASAM

Executive Director

S. GOVINDAN

Director - Textiles

R. SETHUMADHAVAN

Nominee Director - IREDA

Auditor

P. MARIMUTHU, B.Com., F.C.A.

Chartered Accountant, Tirunelveli

Bankers

Canara Bank

IDBI Bank Ltd.,

Registered Office

75/8, Benares Cape Road

Gangaikondan - 627 352

Administrative Office

1054/21, Avanashi Road

Coimbatore - 641 018

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Flour Mill & Textile Division - I

Gangaikondan - 627 352

Sheet Metal Division

Periyanalckenpalayam

Coimbatore - 641 020

Textile Division - II

N.Subbiahpuram - 626 205

Kovilpatti Lakshmi Roller Flour Mills Limited**NOTICE**

Notice is hereby given that the Fortieth Annual General Meeting of the Company will be held on Thursday, the 19th September, 2002 at 11.00 a.m., at the Company's Registered Office at Gangaikondan, Tirunelveli District to transact the following business.

ORDINARY BUSINESS

1. To consider and adopt the Profit and Loss Account for the year ended 31st March, 2002, the Balance Sheet as at that date and the reports of the Directors and Auditor.
2. To declare a dividend.
3. To appoint a Director in the place of Sri.V. Jagananthan who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Sri.K. Selvaraj who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint an Auditor and fix his remuneration.

SPECIAL BUSINESS

6. To consider and if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution.

"Resolved that pursuant to Section 228 (3) of the Companies Act, 1956, M/s. Srivatsan and Gita, Chartered Accountants, be and are hereby appointed as Branch Auditor of the Company to hold office up to the conclusion of the next Annual General Meeting to audit the books of accounts of the Sheet Metal Division for the financial year 2002-2003 on such remuneration as may be determined by the Managing Director."

7. To consider and if thought fit, to pass, with or without modification, the following resolution as a special resolution.

"Resolved that pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, all the Articles from 1 to 53 in the existing Articles of Association of the Company be deleted and in their place, substituted by the Articles as appearing in Annexure-I to this Notice subject to the approval from the Stock Exchanges."

ANNEXURE TO NOTICE**EXPLANATORY STATEMENT UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956****Item No.6**

As per Section 228 (3) of the Companies Act, 1956, Branch Auditors are required to be appointed at the General Meetings. Accordingly, Auditors are being appointed at every annual general meeting for the respective financial year to audit the accounts of the Sheet Metal Division of our Company.

The proposed resolution set out in Item No.6 of the Notice seeks the authorisation of the members to appoint Auditors for the year 2002-2003.

None of the Directors is in any way concerned or interested in this resolution.

Kovilpatti Lakshmi Roller Flour Mills Limited**Item No.7**

The existing Articles were framed and adopted forty years ago and most of the clauses have become redundant due to change in law. Instead of amending the Articles piece meal, the Board has decided to adopt the new set of Articles given in the Annexure - I to this Notice. Any amendment in Articles require shareholders' approval. Hence, Item No.7 is placed before the shareholders for their approval.

A copy of the existing Articles of Association of the Company together with the new set of Articles of Association as proposed are available for inspection at the Registered Office of the Company.

None of the Directors is in any way concerned or interested in this resolution.

NOTES:

1. A member entitled to attend and vote at a 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. Instrument appointing a proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. The register of members and share transfer books of the Company will remain closed from 1st September to 19th September, 2002 (both days inclusive).
4. Pursuant to Section 205-A, of the Companies Act, 1956, unclaimed dividends upto and including financial year 1994-95 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed their dividend warrants relating to financial year(s) upto and including 1994-95 may claim the same from the Registrar of Companies, No.26, Haddows Road, Chennai - 600 006 in the prescribed form which will be supplied by the Company on request.
5. Members are requested to intimate their bank account number and branch details to the Company for incorporating the same in dividend warrants, quoting their respective folio numbers.
6. Shareholders are requested to address their correspondence with the Company mentioning the folio number to facilitate immediate response.
7. Members who are holding shares in more than one folio are requested to write to the Company immediately enclosing their share certificate(s) for consolidation of their holdings in one folio.
8. Tax at Source will be deducted at 10.50% where the dividend paid / payable to a resident individual exceeds Rs.1,000/-. In case, shareholders desire to get dividend payment, without deduction of tax at source, pursuant to the applicable provisions of the Income Tax Act, 1961, Form 15G is to be filed with the Company, which is available on request.

By Order of the Board

Date : 24th May, 2002

Place : Gangaikondan

V. JAGANNATHAN

Chairman

Kovilpatti Lakshmi Roller Flour Mills Limited**ANNEXURE-I TO THE NOTICE**

The Companies Act, 1956
(Company Limited by Shares)

**ARTICLES OF ASSOCIATION
OF
KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED**

1. (i) In these regulations, "the Act" means the Companies Act, 1956.
(ii) Unless the context otherwise requires, words or expression contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date on which these regulations become binding on the Company.

2. The regulations in Table - A in the First Schedule to the Companies Act, 1956, as they stand on the date of adoption of these Articles, excepting Regulations 7 (1) (b), 64, 65 and 66 shall be the Articles of the Company, subject to the modifications thereof and additions thereto as hereinafter set out.

SHARE CAPITAL

3. The authorised share capital of the Company shall be Rs.5,00,00,000/- (Rupees five crores only) divided into 50,00,000 equity shares of Rs.10/- (Rupees ten) each, with power to increase or reduce the capital and to divide the capital into several classes and to attach thereto, respectively, such preferential, deferred, qualified or special rights, privileges or conditions with voting rights or with differential rights as to dividend, voting or otherwise as permissible under law and as may be determined by the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956 and as the Company deems fit and necessary.

The minimum paid up share capital of the Company shall not be less than Rs.5,00,000/-.

4. The shares shall be under the control of the Board of Directors and subject to the provisions of the Act and these Articles. The Board of Directors may allot or otherwise dispose of the same, to such persons, on such terms and conditions, and at such times, either at a premium or at par or at a discount and either as fully or partly paid up, as the Board of Directors may think fit. Provided that the option or right to call of shares shall not be given to any such person or persons without the sanction of the Company in General Meeting.
5. The Company may issue sweat equity shares, that is shares at a discount or for consideration other than cash for providing know-how or making available rights in the nature of intellectual rights or value addition by whatever name called subject to the conditions specified in Section 79 A of the Act and in accordance with the regulations made by Securities and Exchange Board of India in this behalf.
6. The Company may also alter the conditions of its Memorandum relating to share capital in any of the ways specified in Section 94 of the Act.

CAPITALISATION OF PROFITS

7. The Board of Directors of the Company may, from time to time and at any time at its discretion and subject to the provisions of the Companies Act, 1956, capitalize any amount from reserve account.

Kottipatti Lakshmi Reller Flour Mills Limited**POWER OF THE COMPANY TO PURCHASE ITS OWN SHARES**

8. Notwithstanding anything contained in these Articles and subject to the provisions of the Act, the Company may, from time to time, repurchase or buy back its own shares and / or securities issued by the Company and outstanding for the time being, on such terms and in such manner as may be permitted under the Act and rules made thereunder and approved by the Company in the General Meeting.

SHARE CERTIFICATES

9. Share certificates shall be issued in marketable lots and where share certificates are issued for either more or less than marketable lots, shall be done free of charge.
10. If a share certificate is defaced, lost or destroyed, it may be renewed on payment of such fee, if any and on such terms, if any as to evidence and indemnity and payment of out of pocket expenses incurred by the Company in investigating evidence, as the Directors think fit.

SHARE WARRANTS

11. The bearer of a share warrant shall be entitled on surrendering the warrant for cancellation and paying such fee, to the Company as the Board of Directors may from time to time determine, to have his name entered, as a member in the register of members.

CALL ON SHARES

12. No call shall exceed one-fourth of the nominal amount of shares, or be made payable within one month after the last preceding call was payable. Not less than one month notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid.
13. If a sum called in respect of a share is not paid on or before the day appointed for the payment thereof, the holder or holders of the share, from whom the same is due, shall pay interest upon the sum from the day appointed for the payment thereof to the time of actual payment at such rate as may be determined by the Board of Directors from time to time not exceeding the rate of 24 % per annum. The Board of Directors shall be at liberty to waive payment of any such interest, wholly or in part.
14. The Board of Directors may, if it thinks fit, receive from any member willing to advance the same all or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any of the moneys so advanced, may (until the same would, but for such advance become presently payable) pay interest at such rate as may be determined by the Board of Directors from time to time not exceeding the rate of 24 % per annum.
15. Calls paid in advance by a member may confer a right for interest but shall not be eligible for any dividend or right to participate in the profits of the Company. The call may be revoked or postponed at the discretion of the Board.

VOTES OF MEMBERS

16. No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sum presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.
17. The form of proxy shall be a two-way proxy form as prescribed in Schedule IX of the Companies Act, 1956 to enable the shareholders to vote for or against any resolution at their discretion.

Kouilpatti Lakshmi Roller Flour Mills Limited

18. Subject to the provisions of Section 192A of The Companies Act, 1956 and any other rules and regulations which may be framed by the Central Government from time to time, the Company may transact such business as may be notified by the Central Government from time to time or which the Company may consider necessary through postal ballot.

TRANSFER AND TRANSMISSION OF SHARES

19. Subject to the provisions of Section 111A of the Companies Act, 1956 and Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992 or regulations made thereunder, the shares of the Company shall be freely transferable EXCEPT WHEN
- the instrument of transfer is not proper or has not been duly stamped and executed or the certificate relating to the security has not been delivered to the Company or any other requirement under the law relating to registration of such transfer has not been complied with;
 - the transfer of the securities in contravention of any law or rule made thereunder or any administrative instructions or conditions of listing agreement laid down in pursuance of such laws or rules;
 - the transfer of the security is prohibited by any order of any Court, Tribunal or other authority under any law for the time being in force and
 - that there is a lien on the shares.
20. The Board of Directors shall not be bound to accept any application for transfer of less than 50 (fifty) shares of Rs.10/- each; however this condition shall not apply to
- a transfer of shares made by virtue of any statutory provisions or by any Order of Court of Law;
 - the transfer of entire shares made by an existing shareholder holding less than 50 shares of Rs.10/- each to one or more transferees whose holding in the Company will not be less than 50 shares of Rs.10/- each after the said transfer;
 - the transfer of not less than 50 shares of Rs.10/- each in the aggregate in favour of the same transferee in two or more transfer deeds submitted together within which one or more relates to the transfer of less than 50 shares of Rs.10/- each.
21. Not more than three persons shall be registered as joint holders in respect of shares/debentures of the Company.
22. On the death of a member, the survivors where the member was a joint holder, and his legal representative where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares.
23. The Company shall incur no liability or responsibility whatsoever in consequence of registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register of members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have notice of such equitable rights, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any books of the Company, and except so far as may be required by the Act, the Company shall not be bound or required to regard or attempt

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to give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some books of the Company but the Company shall nevertheless be at liberty to regard and attend such notice and give effect thereto if the Board of Directors shall so think fit.

FORFEITURE OF SHARES

24. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued. In the event of non-payment on or after serving not less than fourteen days notice for forfeiture, the Board can forfeit the shares.
25. Forfeited shares may be sold or cancelled or otherwise disposed of on such terms and in such manner as the Board thinks fit.

DEMATERIALISATION OF SHARES

26. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its securities and to offer securities in a dematerialized form pursuant to the Depositories Act, 1996 or any other enactments in this regard and a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.
27. Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.
28. Nothing contained in Section 108 of the Companies Act, 1956 or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

NOMINATION OF SHARES AND TRANSMISSION BY A NOMINEE

29. Subject to the provisions of Sections 109A and 109B of the Act, every holder of shares or debentures may at any time nominate a person to whom shares or debentures shall vest in the event of his death and such nominee may either register himself as a holder of the shares or debentures as the case may be or make such transfer of such shares or debentures as the deceased shareholder or debenture holder could have made.

NOMINATION IN RESPECT OF DEPOSITS

30. A depositor may at any time make a nomination subject to and in accordance with the provisions of Section 109A of the Act and such nominee may make a transfer of the deposit subject to and in accordance with the provisions of Section 109B of the Act.

BORROWING POWERS

31. Subject to Section 293 (1) (d) of the Act, the Board of Directors may, from time to time at its discretion, raise or borrow from any person or persons, sum or sums of money for the purpose of the Company, but where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the

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Company's Bankers) in the ordinary course of business exceed the aggregate paid up capital of the Company and its free reserves, the same shall be done with the consent of the Company in General Meeting.

32. The Board of Directors may raise and secure the repayment of such moneys in such manner and upon such terms and conditions in all respects as it shall think fit and in particular by the creation of any mortgage or charge on the undertaking or the whole or any part of the property, present and future, or uncalled capital of the Company or by the issue of bonds, perpetual or redeemable debentures or any debenture stock of the Company charged upon all or any part of the property of the Company, both present and future, including the uncalled capital for the time being.

NOMINATION OF DIRECTORS

33. Any trust deed for securing of any debentures or debenture stock and / or any mortgage deed and / or other bond for securing payment of moneys borrowed by or due by the Company and / or any contractor any agreement made by the Company with any person, firm, body corporate, government or authority who may render or agree to render any financial assistance to the Company by way of loans advanced or by guaranteeing of any loan borrowed or other obligations of the Company or by subscription to the share capital of the Company or private assistance in any other manner, may provide for the appointment from time to time by such mortgage, lender, trustee or holders of debentures or contracting party as aforesaid, of one or more persons to be a Director of Directors of the Company. Such trust deed, mortgage deed, bond or contract may provide that the persons appointing a Director as aforesaid may from time to time remove any Director so appointed by him and appoint any person in his place and provide for filling up of any casual vacancy created by such person vacating office as such Director. Such power shall determine and terminate on the discharge or repayment of the respective mortgage loan or debt or debenture or on the termination of such contract and any person so appointed as Director under mortgage or bond or debenture trust deed or under such contract shall cease to hold office as Director on the discharge of the same. Such appointment and provision in such document as aforesaid shall be valid and effective as if contained in these presents.
34. The Director or Directors so appointed by or under a mortgage deed or other bond or contract as aforesaid or under the provisions of the debenture trust deed shall be called Ex-Officio Director or Directors, who need not hold any qualification shares and who shall not be liable to retire by rotation or to be removed from office by the Company. Such mortgage deed or bond or trust deed or contract may contain such ancillary provisions as may be agreed to between the Company and mortgagee, lender, the trustee or contracting party as the case may be and all such provisions shall have effect notwithstanding any of the other provisions herein contained but subject to the provisions of the Act.

BOARD OF DIRECTORS

35. The number of Directors of the Company shall not be less than three and not more than twelve, including Nominee Directors.
36. The Directors of the Company at the time of adoption of Articles are:
- Sri.V. Jagannathan
Smt.J. Chandrakanthi
Sri.Suresh Jagannathan

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Sri.V.N. Jayaprakasam

Sri.S. Govindan

Sri.K. Selvaraj

Sri.N.V. Srinivasan

Sri.Sudarsan Varadaraj

Dr.R. Sethumadhavan - Nominee Director on behalf of IREDA

37. If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may be filled by the Board of Directors at the meeting of the Board of Directors and any person so appointed shall hold office only up to the date which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid.
38. The quorum for a meeting of the Board of Directors or a Committee of Directors shall be one third of its total strength or two Directors, whichever is higher (any fraction contained in the one third shall be rounded off as one).
39. The Board shall have power at any time and from time to time to appoint a person as an Additional Director provided the number of Directors and Additional Directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.
- Such persons shall hold office only up to the date of the next Annual General Meeting of the Company but shall be eligible for appointment by the Company as a Director at that meeting subject to the provisions of the Act.
40. The Board of Directors shall have power at any time and from time to time to appoint an Alternate Director to act for a Director during his absence for a continuous period of not less than three months from the state in which the meetings of the Board of Directors are ordinarily held.
41. A Director need not hold any shares in the capital of the Company to qualify him to be a Director of the Company.
42. Subject to the provisions of the Act, no Director of the Company shall be disqualified from his office for holding any office or place of profit under the Company or under any company in which this Company shall be a shareholder or otherwise interested, or from contracting with the Company either as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested, be avoided, nor shall any Director be liable to account to the Company for any profit arising from any such office or place of profit or realized from any such contract or arrangement by reason only of such Director holding that office or of the fiduciary relations thereby established.
43. The Board of Directors shall have power to revalue the fixed assets of the Company.

REMUNERATION OF DIRECTORS

44. Subject to the provisions of Sections 198, 309 and 310 of the Act, the remuneration payable to the Directors of the Company may be as hereinafter. The remuneration by way of a fee for each meeting of the Board of Directors or a committee thereof attended by any Director shall be such sum as may be determined by the Board, but not exceeding the amount as may be prescribed from time to time by the Central Government, provided that if the remuneration determined exceeds the amount prescribed by the Central Government, then the approval of the Central Government shall be obtained. The Directors