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2005

Annual Report

Kovilpatti Lakshmi Roller Flour Mills Limited

Kovilpatti Lakshmi Roller Flour Mills Limited

Board of Directors

K. SELVARAJ

N.V. SRINIVASAN

SUDARSAN VARADARAJ

K. GNANASEKARAN

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

Indian Overseas Bank

Registered Office

75/8, Benares Cape Road

Gangaikondan - 627 352

Administrative Office

1054/21, Avanashi Road

Coimbatore - 641 018

Foods Division

Gangaikondan - 627 352

Coimbatore - 641 020

Textile Division

Gangaikondan - 627 352

N. Subbiahpuram - 626 205

Kovilpatti Lakshmi Roller Flour Mills Limited

Contents	Page
Notice to Members	3
Report of the Directors	10
Report of the Auditor	16
Balance Sheet	20
Profit & Loss Account	21
Schedules	22
Cash Flow Statement	35

Kovilpatti Lakshmi Roller Flour Mills Limited**NOTICE**

Notice is hereby given that the Forty Third Annual General Meeting of the Company will be held on Wednesday, the 28th September, 2005 at 9.30 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 Balance Sheet as at 31.03.2005 and the Profit and Loss Account for the year ended on that date and the reports of the Directors and Auditor thereon.
2. To declare a dividend.
3. To appoint a Director in the place of Sri. N.V. Srinivasan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Sri. K. Gnanasekaran, 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 Auditors of the Company to hold office upto the conclusion of the next Annual General Meeting to audit the books of accounts of the Coimbatore branch for the financial year 2005-2006 on such remuneration as may be determined by the Managing Director."

7. **To consider re-appointment of Smt. J. Chandrakanthi, Vice Chairman**

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

"Resolved that in accordance with the provisions of Sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force or any amendments and/or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto), the consent of the Company be and is hereby accorded for the reappointment of Smt. J. Chandrakanthi as Vice Chairman of the Company, for a further period of 5 (five) years with effect from 1st December, 2005 on the following terms and conditions with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of the remuneration within the overall limits specified in

Kovilpatti Lakshmi Roller Flour Mills Limited

Schedule XIII to the Companies Act, 1956 including any statutory modification or re-enactment thereof, for the time being in force or any amendments and/or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto.

Remuneration**I) Salary**

Rs.65,000/- per month with an annual increment of Rs.6000/-.

II) Commission

1.50% of the Net Profit of the Company computed in accordance with Sections 198, 309 and 349 of the Companies Act, 1956.

III) Perquisites**Category "A"****1. Housing**

Unfurnished accommodation will be provided. In its absence, 60% of the salary will be paid as House Rent Allowance.

2. Other Perquisites

The following perquisites shall be allowed subject to a maximum of 50 % of the salary.

- (a) Reimbursement of medical expenses incurred for self and her family
- (b) Leave (as per rules of the Company)
- (c) Leave Travel Concession for self and her family
- (d) Reimbursement of expenditure incurred on gas, electricity, water, furnishings and appliances
- (e) Reimbursement of club expenses for self
- (f) Health and personal accident insurance cover for self.

In any year, if the perquisites specified in Part III, Sub-clause (2) above, are not availed in full, the unutilised portion of the limit shall be either carried over till the end of the term or encashed at the end of every year.

Category "B"

Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites. Gratuity payable shall not exceed 15 days for each completed year of service.

Category "C"

Provision of car with driver and telephone facility at her residence.

Kovilpatti Lakshmi Roller Flour Mills Limited

"Resolved further that in the event of no profit or inadequacy of profit, the remuneration payable to Smt. J. Chandrakanthi, Vice Chairman, shall not exceed the limit specified in Section II of Part II of Schedule XIII of the Companies Act, 1956, as modified from time to time or such other limits as may be notified by the Government from time to time as minimum remuneration."

8. To consider re-appointment of Sri. Suresh Jagannathan, Managing Director

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

"Resolved that in accordance with the provisions of Sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force or any amendments and/or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto), the consent of the Company be and is hereby accorded for the reappointment of Sri. Suresh Jagannathan as Managing Director of the Company, for a further period of 5 (five) years with effect from 11th March, 2006 on the following terms and conditions with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of the remuneration within the overall limits specified in Schedule XIII to the Companies Act, 1956 including any statutory modification or re-enactment thereof, for the time being in force or any amendments and/or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto.

Remuneration**I) Salary**

Rs.60,000/- per month with an annual increment of Rs.6000/-.

II) Commission

3.50% of the Net Profit of the Company computed in accordance with Sections 198, 309 and 349 of the Companies Act, 1956.

III) Perquisites**Category "A"****1. Housing**

Unfurnished accommodation will be provided. In its absence, 60% of the salary will be paid as House Rent Allowance.

2. Other Perquisites

The following perquisites shall be allowed subject to a maximum of 50 % of the salary.

(a) Reimbursement of medical expenses incurred for self and his family

Kovilpatti Lakshmi Roller Flour Mills Limited

- (b) Leave (as per rules of the Company)
- (c) Leave Travel Concession for self and his family
- (d) Reimbursement of expenditure incurred on gas, electricity, water, furnishings and appliances
- (e) Reimbursement of club expenses for self
- (f) Health and personal accident insurance cover for self.

In any year, if the perquisites specified in Part III, Sub-clause (2) above, are not availed in full, the unutilised portion of the limit shall be either carried over till the end of the term or encashed at the end of every year.

Category "B"

Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites. Gratuity payable shall not exceed 15 days for each completed year of service.

Category "C"

Provision of car with driver and telephone facility at his residence.

"Resolved further that in the event of no profit or inadequacy of profit, the remuneration payable to Sri. Suresh Jagannathan, Managing Director, shall not exceed the limit specified in Section II of Part II of Schedule XIII of the Companies Act, 1956, as modified from time to time or such other limits as may be notified by the Government from time to time as minimum remuneration."

9. To consider appointment of Sri. S. Govindan as a Director of the Company

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

"Resolved that in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Sri. S. Govindan, who was appointed as a Director of the Company at the Board Meeting held on 27th May, 2005 with effect from 1st August, 2005 and who ceases to hold office as per the provisions of Section 260 of the Companies Act, 1956 at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director as per the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company."

Kovilpatti Lakshmi Roller Flour Mills Limited**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 General Meetings. Accordingly, Auditors are being appointed at every annual general meeting for the respective financial year to audit the accounts of the Coimbatore branch of our Company.

The proposed resolution set out in Item No.6 of the Notice seeks the authorisation of the members to appoint Branch Auditors for the year 2005-2006.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

Item No.7

The present tenure of Smt. J. Chandrakanthi, Vice.Chairman, expires on 30th November, 2005. The Board of Directors considers that it will be in the interest of the Company to continue to have the benefits of the service and advice of the Vice Chairman. In view of the knowledge and experience in the industry, the Company can utilise her services for the future growth by the proposed re-appointment as Vice Chairman for a period of five years.

In terms of Sections 269, 309 and 310 read with Schedule XIII of the Companies Act, 1956, the said appointment, payment of remuneration and other perquisites require the approval of shareholders in General Meeting as contemplated therein.

None of the Directors except Smt. J. Chandrakanthi and Sri. Suresh Jagannathan is interested in the resolution. This is to be regarded as an abstract of terms and memorandum of interest under Section 302 of the Companies Act, 1956.

Item No.8

The present tenure of Sri. Suresh Jagannathan, Managing Director, expires on 10th March, 2006. The Board of Directors considers that it will be in the interest of the Company to continue to have the benefits of the service and advice of the Managing Director. In view of the knowledge and experience in the industry, the Company can utilise his services for the future growth by the proposed re-appointment as Managing Director for a period of five years.

In terms of Sections 269, 309 and 310 read with Schedule XIII of the Companies Act, 1956, the said appointment, payment of remuneration and other perquisites require the approval of shareholders in General Meeting as contemplated therein.

None of the Directors except Smt. J. Chandrakanthi and Sri. Suresh Jagannathan is interested in the resolution. This is to be regarded as an abstract of terms and memorandum of interest under Section 302 of the Companies Act, 1956.

Kovilpatti Lakshmi Roller Flour Mills Limited**Item No.9**

Sri. S. Govindan was appointed as the Director - Textiles by the shareholders of the Company at the Annual General Meeting held on 24th September, 2004 with effect from 1.8.2004 to 31.7.2005. The Board of Directors desires to utilise his knowledge and advise for the Textile Division. Hence, the Board of Directors at its meeting held on 27th May, 2005 appointed him as a Director of the Company with effect from 1.8.2005. The Company has received notice in writing from a member proposing the candidature of Sri. S. Govindan for the office of Director under the provisions of Section 257 of the Companies Act, 1956 along with the required deposit amount.

Sri. S. Govindan is interested in the resolution as it concerns his appointment. No other Director is directly or indirectly concerned or interested in this resolution.

Notes

1. A member entitled to attend and vote at the 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 16th September to 28th September, 2005 (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/Registrar and Transfer Agent on request.
5. In terms of the amendment to Section 205 A and introduction of Section 205C by the Companies (Amendment) Act, 1999, dividends for the financial year from 1995-1996 and 1996-1997 have already been transferred to Investors' Education and Protection Fund.
6. Members who have till date not encashed their dividend warrants for the financial year 1997-1998 or any subsequent financial years are advised to claim the dividend from the Company after filing indemnity/any other proof for their unclaimed dividend at the earliest. It may also be noted that once unclaimed dividends are transferred to the Investors' Education and Protection Fund, members will lose their claim on these dividends.
7. Members are requested to intimate their bank account number and branch address with their Folio No. to the Registrar and Transfer Agent for incorporation in the dividend

Kovilpatti Lakshmi Roller Flour Mills Limited

warrants. Members are also requested to address all related correspondence to the Registrar and Transfer Agent whose address is given below:

INTIME SPECTRUM REGISTRY LTD.
'SURYA', 35, MAYFLOWER AVENUE
BEHIND SENTHIL NAGAR, SOWRI PALAYAM ROAD
COIMBATORE - 641 028.

8. Members who are holding shares in more than one folio are requested to write to the Registrar and Transfer Agent immediately enclosing their share certificate(s) for consolidation of their holdings into one folio.

By Order of the Board

Date : 27th May, 2005
Place : Gangaikondan

K. SELVARAJ
Chairman of the Meeting

