



98-99



22nd Annual Report
1998-99

REVATHI-CP EQUIPMENT LIMITED

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Revathi - CP Equipment Limited

Board of Directors : CHARLES ROBISON, (Chairman)
 RAGHAVENDRA, R.K. (Managing Director)
 DULIP SINGH, T.
 JACK PRESSLEY
 KATYAL, S.C.
 PODDAR, B.K.
 TIM O' ROURKE
 WILLIAM M. THOMAS
 RAMANI, K.N.V.
 (Alternate to WILLIAM M. THOMAS)

Company Secretary : SRINIVASAN, M.N.

Bankers : STATE BANK OF INDIA
 CANARA BANK
 DENA BANK
 STATE BANK OF BIKANER & JAIPUR

Auditors : ARTHUR ANDERSEN & ASSOCIATES, BOMBAY

Legal Advisers : KING & PARTRIDGE, CHENNAI

Share Transfer Agents : S. K. D. C. CONSULTANTS LTD.,
 P.B. No. 2979,
 No. 11, STREET No. 1,
 S.N. LAYOUT, TATABAD,
 COIMBATORE - 641 012

Registered Office : POLLACHI ROAD, MALUMACHAMPATTI POST,
 COIMBATORE - 641 021



REPORT OF THE DIRECTORS

The Directors have pleasure in presenting the Twenty Second Annual Report on the operations of your Company together with the audited Profit and Loss Account for the financial year ended March 31, 1999 and the Balance Sheet as of that date.

FINANCIAL RESULTS

	Rs in million	
	For the Year ended 31.3.99	For the Year ended 31.3.98
Sales (Net)	636.46	476.71
Profit before interest, depreciation and tax	199.34	150.84
Less: Interest	3.57	1.93
Depreciation	5.12	6.38
Profit before tax	190.65	142.53
Provision for tax	57.80	47.00
Profit after tax	132.85	95.53
Balance brought forward from previous year	10.62	7.31
	143.47	102.84
Appropriations :		
Dividends :		
On equity shares - Interim	12.84	9.63
Final	19.26	9.63
Dividend tax	3.53	1.93
General Reserve	90.00	71.05
Balance carried forward	17.84	10.60
	143.47	102.84

Operations of the year

The overall performance of the company was very good. There was quantum jump in sales by 33% over last year. While domestic sales went up by 15%, export sales more than trebled. Profits also improved significantly by 34% mainly due to increase in sales volume particularly exports.

Dividend

Your Directors paid an interim dividend of 40% in April, 1999 absorbing Rs 12,839,200/- on the equity shares. Your directors now recommend a final dividend of 60 % on the equity shares amounting to Rs 19,258,800/- .



Fixed Deposits

The amount of Fixed Deposits outstanding as on March 31, 1999 was Rs 6,762,000/- and the unclaimed deposits were Rs 362,000/-

Y2K Compliance

The Company has taken necessary steps to become Y2K Compliant.

Directors

Mr. Charles Robison has been appointed as Chairman of the Board in the place of Mr. Necip Soyak. The Directors wish to place on record their sincere appreciation for the guidance and assistance given by Mr. Necip Soyak during his tenure.

In accordance with the Articles of Association of the Company, Mr. S.C. Katyal and Mr. Tim O' Rourke retire by rotation and being eligible seek re-appointment.

Conservation of Energy

As regards conservation of energy, company continued its efforts by elimination of waste, improvement in power factor and by good maintenance of various equipments. No capital investment was made during the year in this regard. As the cost of energy in the total cost is insignificant and considering the nature of our industry, measurement of savings in energy could not be undertaken.

Technology Absorption

Particulars with regard to technology absorption as required under Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are furnished in the annexure and the same forms part of this report.

Foreign Exchange Earnings and Outgo

The Company earned foreign exchange of Rs 133.22 million. Foreign Exchange outgo during the year amounts to Rs 103.15 million.

Personnel

Industrial relations were satisfactory during the year. The particulars, as required under Section 217 (2A) of the Companies Act, 1956 and the rules framed thereunder are furnished in the annexure. However, as per provisions of Section 219 (1) (b) (IV) of the Companies Act 1956, the report and the accounts are being sent to all members excluding the aforesaid information. Any member interested in obtaining such particulars may write to the Company Secretary.

Appreciation

The Directors wish to place on record their sincere appreciation of the devoted and efficient services rendered by all the employees of the Company. The Directors also wish to thank the financial institutions, banks and customers for their continued support and co-operation.

For and on behalf of the
Board of Directors

Bangalore,
09th May, 1999

R.K. RAGHAVENDRA
Managing Director

K.N.V. RAMANI
Director



Annexure

Form for disclosure of particulars with respect to Technology Absorption

Research and Development (R & D)

- | | |
|---|---|
| 1. Specific areas in which R&D carried out by the company. | : Development of 8" class crawler mounted blasthole drill.

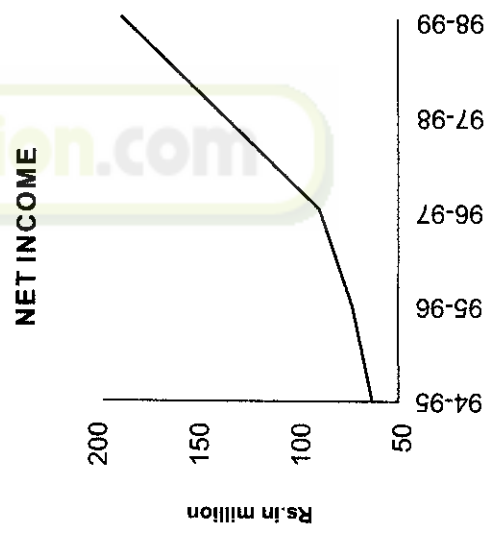
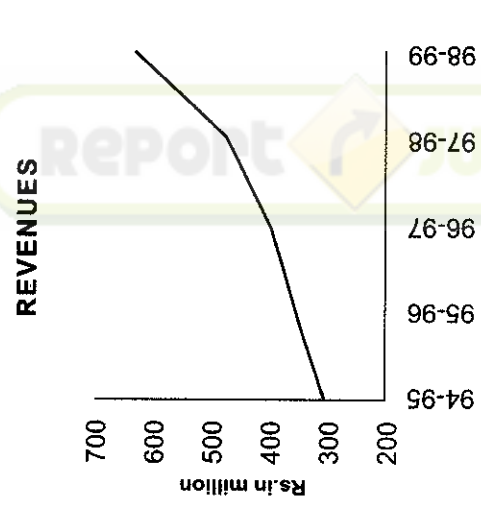
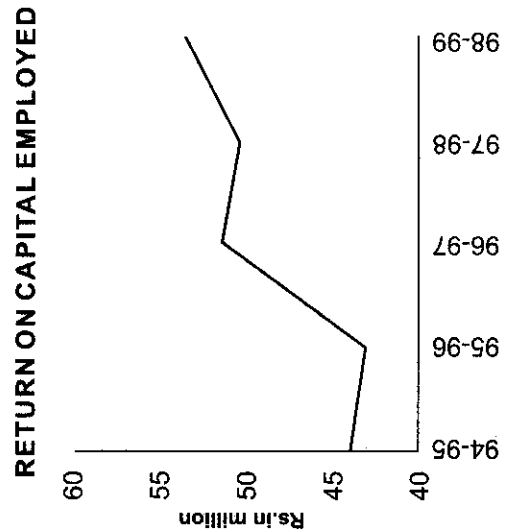
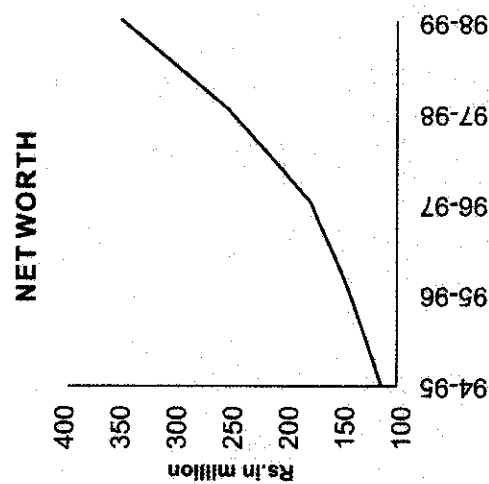
Development of 8" class water well drill. |
| 2. Benefits derived as a result of the above R&D | : New product development.
Entry to potential new markets. |
| 3. Future Plan of action | : Development of crawler mounted drill for export |
| 4. Expenditure on R&D | |
| (a) Capital | : Rs 764,209/- |
| (b) Recurring | : Rs 10,017,378/- |
| (c) Total | : Rs 10,781,587/- |
| (d) Total R&D expenditure as a percentage of total turnover | : 1.69% |

Technology absorption, adaptation and innovation.

- | | |
|---|--|
| 1. Efforts, in brief, made towards technology absorption, adaptation and innovation. | : Development of improved casing handling system for water well drill. |
| 2. Benefit derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution, etc. | : Improved productivity in casing handling |
| 3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished :- | |
| (a) Technology imported | } Not applicable |
| (b) Year of Import | |
| (c) Has technology been fully absorbed ? | |
| (d) If not fully absorbed, areas where this has not taken place, reasons therefor, and future plans of action. | |



CHARTS





NOTICE TO MEMBERS

NOTICE is hereby given that the twenty second annual general meeting of the members of Revathi-CP Equipment Limited will be held at the Indian Chamber of Commerce and Industry, Chamber Towers, 8/732 Avanashi Road, Coimbatore - 641 018 on Wednesday, 07th July, 1999 at 10.00 A.M. to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the directors' report and the audited balance sheet as at March 31, 1999 and the profit and loss account for the financial year ended March 31, 1999.
2. To declare a dividend on equity shares.
3. To appoint a director in place of Mr. S.C. Katyal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. Tim O' Rourke, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint auditors to hold office from the conclusion of this annual general meeting until the conclusion of the next annual general meeting and to fix their remuneration.

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 accordance with Schedule XIII read with sections 198, 269, 310, 311 and other applicable provisions if any of the Companies' Act 1956, the consent of the Company be and is hereby given to the re-appointment of Mr. R.K. Raghavendra as Managing Director of the Company and payment of remuneration to him for a period of four years with effect from 10.02.1999 as per the terms and conditions set out in the agreement duly approved by the Board on 12th January, 1999 and entered into between the Company and the Managing Director on 22nd January, 1999.

Bangalore,
09th May, 1999

By Order of the Board
M.N. SRINIVASAN
Company Secretary

NOTES :

- a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING MAY APPOINT A PROXY TO ATTEND AND VOTE ON HIS BEHALF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- b) Pursuant to section 154 of the Companies' Act, 1956, the Register of Members and the Share Transfer Books of the Company will remain closed from July 01st, 1999 to July 07th, 1999 (both days inclusive).



- c) Members are requested to intimate to M/s. S.K.D.C. Consultants Limited, changes, if any, in their registered address along with the pincode numbers and to mention their registered folio No. invariably in all correspondence.
- d) Queries on accounts and operations of the company, if any, may please be sent to the company ten days in advance of the meeting so that answers may be made available at the meeting.
- e) The Company has transferred the unclaimed dividends to the General Revenue Account of the Central Government for and upto the year 1994 - 95.

Particulars of the dividend transferred to the General Revenue Account of the Central Government, as required by Rule 4(A) of the Companies' Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules 1978, are given below.

Dividend for the Year	No. of equity shares	No. of Holders	Amount (Rs)	Date of Transfer
1994-95 (Interim)	10,918	91	50,790.00	13.11.98
1994-95 (Final)	2,13,972	88	11,40,923.25	13.11.98

The concerned members may therefore submit their claim to the Registrar of Companies (Tamilnadu), Coimbatore.

- f) The Company's equity shares are listed in the following stock exchanges :

1. Coimbatore Stock Exchange Limited,
"Stock Exchange Building"
683 - 686, Trichy Road,
Singanallur,
Coimbatore - 641 005.
2. Madras Stock Exchange Limited,
"Exchange Building"
Post Box No. 183,
No. 11, Second Line Beach Road,
Chennai - 600 001.
3. The Stock Exchange, Mumbai,
Phiroze Jee Jee Bhoy Towers,
Dalal Street,
Mumbai - 400 001.

The Company has paid the annual listing fees for the period 1999 - 2000 in respect of above stock exchanges.



EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO : 6

Mr. R.K. Raghavendra was re - appointed as Managing Director with effect from 10th February, 1995 for a period of four years at the eighteenth annual general meeting held on September 25th, 1995. Considering the untiring effort put in by him in the Company for its growth, the Board of Directors ('the Board') at the meeting held on 12th January 1999 re - appointed Mr. Raghavendra as Managing Director, for a period of four years with effect from 10.02.1999 with the remuneration as given below :-

A. SALARY :

Rs 1,50,567/- (Rupees one Lakh fifty thousand five hundred and sixty seven only) p.m. with such annual increments but not exceeding 20% as the Board at its sole discretion may decide.

B. COMMISSION :

1% of the net profits of the Company in each year computed in accordance with section 349 of the Companies Act, 1956 (the Act) or 50% of the salary per annum, whichever is less.

C. PERQUISITES :

- i) Contribution to provident fund and super - annuation fund.
- ii) Gratuity at the rate of one month salary for each completed year of service subject to a maximum of 22 months salary.
- iii) Hired furnished accommodation with gas, electricity, furniture, water and furnishings or house rent allowance in lieu thereof.
- iv) Medical reimbursement for self, spouse, dependent children and dependent parents.
- v) Leave : One month leave per year on full pay with liberty to accumulate such leave without any limit and encashment of unavailed leave at the end of tenure. In addition, the managing director shall be entitled to such casual leave and sick leave as is applicable to other officers of the Company.
- vi) Leave travel concession and allowance :
For self and spouse, dependent children, dependent parents once a year.
- vii) Club fees.
- viii) Personal accident Insurance etc.
- ix) Personal allowance or such other allowance up to 10% of salary.
- x) Any other perquisites as may be allowed by the Board.