



MD	<input checked="" type="checkbox"/>		BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
ACM	<input checked="" type="checkbox"/>		SH	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>			

SHREE MANUFACTURING COMPANY LIMITED

Report  junction.com

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH, 1997

Report  junction.com

Board of Directors

G. D. KOTHARI *Chairman*
S. N. SINGHANIA
R. SURENDER REDDY
A. K. KOTHARI
G. M. GHOSH
S. SAMANTA (*Nominee of ICICI*)
BASUDEB SEN (*Nominee of SBI*)
K. K. MOHTA
P. K. DAGA
C. K. DHANUKA
UTSAV PAREKH
C. S. GANDHI *Executive Director*

Secretary

J. C. DAS

Bankers

STATE BANK OF INDIA
STATE BANK OF HYDERABAD

Auditors

PRICE WATERHOUSE

Registered Office

A-1, GILLANDER HOUSE
NETAJI SUBHAS ROAD
CALCUTTA-700 001

Hyderabad Office

6-3-661/1A, SANGEETH NAGAR COLONY
SOMAJI GUDA
HYDERABAD-500 482

Spinning Mill

ISNAPUR
DIST. MEDAK – 502329
ANDHRA PRADESH

Report



Report Junction



NOTICE

NOTICE is hereby given that the Twentieth Annual General Meeting of the Members of the Company will be held at the Williamson & Magor Hall of the Bengal Chamber of Commerce & Industry, (1st Floor), Royal Exchange, 6, Netaji Subhas Road, Calcutta-700 001 on Tuesday, the 19th August, 1997 at 3.00 P. M. to transact the following business :

AS ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended 31st March, 1997 and the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. S. N. Singhania who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. R. Surender Reddy who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. G. M. Ghosh who retires by rotation and is eligible for re-appointment.
5. To consider and, if thought fit, to pass with or without modifications, the following Resolution as Special Resolution :

"That Messrs. Price Waterhouse, Chartered Accountants, be and are hereby re-appointed Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and the Board of Directors of the Company be and is hereby authorised to fix their remuneration and to reimburse their out-of-pocket expenses actually incurred in the performance of their duties".

AS SPECIAL BUSINESS :

To Consider and, if thought fit, to pass with or without modifications, the following Resolutions as Ordinary Resolutions :

6. "That Mr. Chandra Shekhar Gandhi be and is hereby appointed a Director of the Company whose period of office shall not be liable to determination by retirement of Directors by rotation".
7. "Resolved that pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII there to the Company hereby approves the appointment of Mr. Chandra Shekhar Gandhi as the Executive Director of the Company for a period of two years with effect from 1st April, 1997 on the terms and conditions including remuneration not exceeding ceiling limit specified under Section II of Part II of Schedule XIII to the Companies Act, 1956 in view of the Company's absence or inadequacy of profits as are set out in the Agreement dated 7th day of May, 1997 entered into by the Company with him, submitted to the Meeting, which Agreement is hereby sanctioned with liberty to the Directors to alter and vary the terms and conditions of the said appointment and Agreement, as may be agreed to between the Directors and Mr. Chandra Shekhar Gandhi, in the best interest of the Company. Further Resolved that the Board of Directors be and is hereby authorised to take such steps as may be necessary or expedient to give effect to this resolution".

By Order of the Board
For SHREE MANUFACTURING COMPANY LTD.

Registered Office :

A-1, Gillander House,
Netaji Subhas Road,
Calcutta - 700 001.

J. C. Das
Secretary

Dated : 23rd June, 1997.

- 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. Such proxy need not be a Member of the Company.
2. In terms of Section 224A of the Companies Act, 1956, a Special Resolution for appointment of the Auditors has been proposed as the percentage of Subscribed Share Capital of the Company held in combination by Public Financial Institutions and Nationalised Banks is about 31.26%.
 3. The Register of Members of the Company will remain closed from 12th August, 1997 to 19th August, 1997 both days inclusive.
 4. An Explanatory Statement under Section 173(2) of the Companies Act, 1956, in respect of the Special Business of the Meeting is annexed hereto.

SHREE MANUFACTURING COMPANY LIMITED

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.

Item No. 6

Mr. Chandra Shekhar Gandhi was appointed Additional Director of the Company by the Board of Directors at their Meeting held on 13th March, 1997. Under Section 260 of the Companies Act, 1956, Mr. Chandra Shekhar Gandhi will hold office only upto the date of the forthcoming Annual General Meeting. The Company has received Notice in writing from a Member under Section 257 of the Companies Act, 1956 signifying his intention to propose the appointment of Mr. Chandra Shekhar Gandhi, as a Director of the Company at the forthcoming Annual General Meeting.

Mr. Chandra Shekhar Gandhi has filed with the Company his consent to act as Director pursuant to Section 264(1) of the Companies Act, 1956.

The Directors of the Company request your approval to the proposed Resolution as set out in the Notice.

No Director other than Mr. Chandra Shekhar Gandhi is interested or concerned in the Resolution.

Item No. 7

The Board of Directors of the Company at their Meeting held on 13th March, 1997 also appointed Mr. Chandra Shekhar Gandhi as Executive Director of the Company for a period of two years with effect from 1st April, 1997 subject to the approval of the Members in the General Meeting. The terms and conditions of his appointment are set out in the Agreement dated 7th May, 1997 entered into by the Company with Mr. Chandra Shekhar Gandhi. The main terms and conditions of the Agreement are given below : —

The Executive Director shall receive by way of remuneration for his services subject to ceiling limit of remuneration specified under Section II of Part II of Schedule XIII to the Companies Act, 1956 : —

- 1) (a) **Salary** : Rs. 35,000/- per month in the Pay Scale of Rs. 35,000/- - -Rs. 5,000/- - -Rs. 40,000/-.
- (b) **Perquisites** : In addition to salary, the Executive Director shall be entitled to the following perquisites as per Rules of the Company :
 - (i) House Rent Allowance in lieu of accommodation equivalent to 10 percent of the salary.
 - (ii) Reimbursement of medical expenses and leave travel concession incurred for self and his family, subject to a ceiling of 10 percent of the salary. "Family" means the spouse, the dependent children and dependent parents of the Executive Director.
 - (iii) Fees of Clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
 - (iv) Reimbursement of expenditure incurred on gas, electricity, water and furnishings.
Provided that the total monthly remuneration of the Executive Director shall not exceed the ceiling limit of Rs. 72,000/- per month.
- 2) The Executive Director shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration :
 - (a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under Income Tax Act., 1961.
 - (b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
 - (c) Encashment of leave at the end of the tenure.

A copy of the draft Agreement entered into with Mr. Chandra Shekhar Gandhi is available for inspection by the Members at the Registered Office of the Company between the hours of 2 O'clock and 4 O'clock in the afternoon on any working day other than Saturdays till 19th August, 1997 and will also be available for inspection at the Meeting.

The Directors of the Company request your approval to the proposed Resolution as set out in the Notice.

No Director other than Mr. Chandra Shekhar Gandhi is interested or concerned in the Resolution.

DIRECTORS' REPORT

Your Directors are hereby presenting the Annual Report and Audited Accounts of the Company for the financial year ended 31st March, 1997.

FINANCIAL RESULTS

		1997 Rs.
Gross Profit		63,89,833
Less : Interest	2,29,90,231	
Depreciation	84,48,830	3,14,39,061
Net Loss for the year		2,50,49,228
Less : Adjustments		
General Reserve	10,00,000	
Profit brought forward	79,40,087	89,40,087
Balance of loss carried forward		<u>1,61,09,141</u>

OPERATION

Due to illegal strike of the workmen for 4 months, production/sales activities of the Company suffered seriously. Even after resumption of work, the production suffered partly for some time more as a section of workers tried to resist the acceptance of production-norms mutually agreed upon.

Production was only 1999 Tons (1996-3028 Tons) and Sales 1884 Tons (1996-3089 Tons). Sales value was Rs. 2605.09 lacs as against that of Rs. 4339.83 lacs in the previous year. Net loss was Rs. 250.49 lacs as against a net profit of Rs. 38.44 lacs in the previous year.

The main reasons for incurring the loss were illegal strike as stated above, provision of substantial amount for arrear wages, sharp rise in electricity charges and low realisation in a sluggish market.

MODERNISATION/EXPANSION SCHEME

The implementation of the Expansion Scheme has been deferred due to loss incurred by the Company. Your Directors would review the matter after improvement of the financial position.

PERSONNEL

As reported in the previous year the workers resorted to illegal strike from 27th March, 1996 resulting in stoppage of normal working in the Mill. After negotiations, settlement with the workmen was arrived at. They called off the strike and resumed work on and from 2nd August, 1996. Normalcy in the Mill was resorted gradually. The Memorandum of Settlement with the Employees Union had been executed on 3rd February, 1997 for a period of 4 years effective from 1st January, 1995.

ENVIRONMENT AND SAFETY

Your Company has accorded to safety and environment control measures as required. Effluent treatment plant is maintained at Dye house and all statutory regulations are complied with.

INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956

Information in accordance with Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of this Report are given in Annexure I to this Report.

Particulars of employees pursuant to Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of this Report are given in Annexure II of this Report.

SHREE MANUFACTURING COMPANY LIMITED

ACKNOWLEDGEMENT

Your Directors have pleasure in recording their appreciation of assistance extended to your Company by various Government Departments and also the Financial Institutions and commercial Banks for their support.

DIRECTORS

Mr. C. S. Gandhi, President of the Spinning Mill of the Company was appointed an Additional Director and also Executive Director of the Company by the Board of Directors at their Meeting held on 13th March, 1997 effective from 1st April, 1997. Under Section 260 of the Companies Act, 1956, Mr. C. S. Gandhi will hold office as an Additional Director only upto the date of the forthcoming Annual General Meeting.

The Company has received a Notice in writing from a Member under Section 257 of the Companies Act, 1956 signifying his intention to propose the appointment of Mr. C. S. Gandhi as a Director of the Company at the forthcoming Annual General Meeting.

Mr. S. N. Singhanani, Mr. R. Surender Reddy and Mr. G. M. Ghosh retire by rotation and are eligible for re-appointment.

AUDITORS

Messrs. Price Waterhouse, the auditors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

On behalf of the Board

G. D. Kothari
Chairman

Calcutta, 23rd June, 1997



ANNEXURE I TO DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 1997

Information pursuant to Section 217 (1)(e) of the Companies Act, 1956 and read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, forming part of the Directors' Report.

A. CONSERVATION OF ENERGY

a) Energy conservation measures taken

- i) Power factor is being maintained at 0.98 +
- ii) Line losses have been brought down drastically by replacing some cable of higher capacity & lower resistance.
- iii) System of Automatic stoppage of Pneumafil motors whenever main motor is stopped has been installed.
- iv) System – unbalancing of supply has been taken care of along with balancing of load.
- v) Inductive load of each motor (above 10 H.P.) has been reduced by putting capacitor in the Control Circuit.
- vi) Strict vigil is being maintained to check any idle running of machines.
- vii) After implementing the suggestions of NITRA (subsequent to Energy Audit) definite result in saving energy has been achieved.
- viii) Superior quality of Lubricant is being used in all moving parts, thereby reducing the friction losses which ultimately saves energy.
- ix) Energy saving spindle tapes & spindles and Rings of various types are being tied to effect saving.

All these measures resulted in saving energy.

FORM-A

A. Power & Fuel Consumption

	1997	1996
1. Electricity		
a) Purchased		
Units	42,13,830	48,78,540
Total Amount (Rs.)	1,43,16,106	1,23,23,033
Rate/Unit (Rs.)	3.40	2.53
b) Own Generation (Through Diesel Generator)		
Units	19,30,129	40,78,702
Units per Ltr. of Diesel Oil	3.35	3.26
Cost/Unit (Rs.)	2.45	2.31
2. Coal		
Quantity (M. Tons)	711	767
Total Cost (Rs.)	9,76,205	9,23,362
Cost/M.Tons (Rs.)	1,373	1,204
3. Furnace Oil	—	—
B. Consumption per unit of production		
Production (M. Tons)	1,999	3,023
Electricity per M. Ton of production units	3,073	2,958