

MD	✓		BKC	
CS	✓		DPY	
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓		SHI	✓
VE	✓			

# **SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED**

Report  junction.com

*33<sup>rd</sup>*

*Annual Report 1996-97*



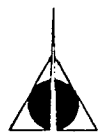


**SRI B. RAJAGOPAL NAIDU 1901-73**  
OUR REVERED FOUNDER

### Contents

Notice	2
Directors' Report	8
Annexure to Directors' Report	10
Auditors' Report	13
Annexure to Auditors' Report	14
Balance Sheet	16
Profit and Loss Account	17
Schedules	18
Cash Flow Statement	29
Subsidiary Company	
Sri Tripurasundari Hotels Limited	32





## Sri Lakshmi Saraswathi Textiles (Arni) Limited

### **BOARD OF DIRECTORS**

SRI. R. SRIHARI	Managing Director
SRI. R. PARANTHAMAN	Executive Director
SRI. R. RAGHURAMAN	Joint Managing Director
SRI. S. BALAKRISHNA	Wholetime Director
SRI. V.N. SUBBA RAO	
SRI. K.S.T. PANI	
SRI. M. SURENDRAN	Nominee Director - IFCI
SRI. J.M. GROVER	

### **Bankers**

Indian Overseas Bank

### **Auditors**

Messrs S. Viswanathan  
8-A Bishop Wallers Avenue (West)  
Mylapore,  
Chennai 600 004.

### **Registered Office**

17, Krishnama Road  
Nungambakkam,  
Chennai 600 034.

### **Factories**

#### **UNIT I**

Raghunathapuram,  
Arni (TVM District),  
PIN 632 301

#### **UNIT II**

Vettuvanam,  
Pallikonda,  
PIN 635 809  
(Vellore District)

### **Registrars & Share Transfer Agents**

Cameo Share Registry Ltd.  
V Floor, Subramanian Building  
No.1, Club House Road  
Chennai 600 002.



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

### NOTICE

NOTICE is hereby given that the Thirty Third Annual General Meeting of the Company will be held at 2.45 P.M. on Friday, 8th August, 1997 at Rani Seethai Hall, 603 Mount Road, Chennai-600 006, to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Report of the Directors and Audited Balance Sheet as at 31st March 1997 and Profit and Loss Account of the Company for the year ended on that date and the Report of the Auditors thereon.
2. To declare dividend
3. To appoint a Director in the place of Sri R.Paranthaman, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in the place of Sri R.Raghuraman, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

#### SPECIAL BUSINESS

6. To appoint Sri J M Grover as a Director of the Company

To consider and if thought fit to pass with or without modification, the following Resolution as ORDINARY RESOLUTION:

"RESOLVED THAT Sri J M Grover who was appointed as an Additional Director of the Company, pursuant to Section 260 of the Companies Act, 1956 and Article 102 of Articles of Association of the Company at the Meeting of the Board of Directors held on 27th June 1997, to hold office upto the date of this Annual General Meeting and in respect of whom, Notice under Section 257 of the Companies Act, 1956 has been received proposing his candidature for the office of the Director, be and is hereby appointed as Director of the Company liable to retire by rotation"

7. To re-appoint Sri R Srihari, Managing Director, for a period of 5 years and to revise his remuneration
- To consider and if thought fit to pass with or without modification, the following Resolution as ORDINARY RESOLUTION :

"RESOLVED THAT pursuant to Sections 269, 198(4), 309(3) and 310 and other applicable provisions of the Companies Act, 1956, if any, and subject to the approval of The Industrial Finance Corporation of India Limited, Sri R Srihari, who fulfils the conditions laid down in Part I of Schedule XIII, be and is hereby re-appointed as Managing Director of the Company for a period of 5 years from 01.04.1998 to 31.03.2003 and that he may be paid remuneration in accordance with Part II of Schedule XIII as detailed below:

I. SALARY : Rs.25,000/- per month

II. COMMISSION : 1% of net profit of the Company subject to a maximum of 50% of Salary computed in the manner laid down in Section 309(5) of the Act.

III. PERQUISITES :

#### CATEGORY A :

1. House Rent Allowance - subject to a Ceiling of 60% of the Salary



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

2. Medical Reimbursement - Reimbursement of Medical expenses incurred for self and family subject to a ceiling of one month salary in a year or 3 months salary over a period of 3 years.
3. Leave Travel Concession : Leave Travel Concession for self and family once in a year incurred in accordance with the rules of the Company.
4. Club Fees : Fees of Clubs subject to a maximum of two clubs, admission and Life-Membership fees not being allowed.
5. Personal Accident Insurance : Premium not to exceed Rs.1000/- per annum

EXPLANATION : Family means Spouse, Dependent Children and Dependent Parents of the Director

### CATEGORY B :

1. Contribution to Provident Fund, Super annuation Fund and Annuity Fund.
2. Gratuity payable shall not exceed half a month's salary for each completed year of service subject to a maximum of Rs. 2,50,000/-

### CATEGORY C :

Provision of Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Individual appointee concerned.

"FURTHER RESOLVED THAT this revised Remuneration be paid to Sri R Srihari, Managing Director from 01.04.97 to 31.03.98 during his current term of appointment also"

8. To re-appoint Sri R Paranthaman, Executive Director, for a period of 5 years and to revise his remuneration

To consider and if thought fit to pass with or without modification, the following Resolution as ORDINARY RESOLUTION

"RESOLVED THAT pursuant to Sections 269, 198(4), 309(3) and 310 and other applicable provisions of the Companies Act, 1956, if any, and subject to the approval of The Industrial Finance Corporation of India Limited, Sri R Paranthaman, who fulfils the conditions laid down in Part I of Schedule XIII, be and is hereby re-appointed as Executive Director of the Company for a period of 5 years from 01.04.1998 to 31.03.2003 and that he may be paid remuneration in accordance with Part II of Schedule XIII as detailed below :

- I. SALARY : Rs.23,500/- per month
- II. COMMISSION : 1% of net profit of the Company subject to a maximum of 50% of Salary computed in the manner laid down in Section 309(5) of the Act.
- III. PERQUISITES :

### CATEGORY A :

1. House Rent Allowance - subject to a Ceiling of 60% of the Salary
2. Medical Reimbursement - Reimbursement of Medical expenses incurred for self and family subject to a ceiling of one month salary in a year or 3 months salary over a period of 3 years.
3. Leave Travel Concession: Leave Travel Concession for self and family once in a year incurred in accordance with the rules of the Company.



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

4. Club Fees: Fees of Clubs subject to a maximum of two clubs, admission and Life-Membership fees not being allowed.

5. Personal Accident Insurance: Premium not to exceed Rs.1000/- per annum

EXPLANATION : Family means Spouse, Dependent Children and Dependent Parents of the Director

### CATEGORY B :

1. Contribution to Provident Fund, Superannuation Fund and Annuity Fund

2. Gratuity payable shall not exceed half a month's salary for each completed year of service subject to a maximum of Rs. 2,50,000/-

### CATEGORY C :

Provision of Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Individual appointee concerned.

"FURTHER RESOLVED THAT this revised Remuneration be paid to Sri R Paranthaman, Executive Director from 01.04.97 to 31.03.98 during his current term of appointment also"

9. To re-appoint Sri R Raghuraman, Joint Managing Director, for a period of 5 years and to revise his remuneration

To consider and if thought fit to pass with or without modification, the following Resolution as ORDINARY RESOLUTION

"RESOLVED THAT pursuant to Sections 269, 198(4), 309(3) and 310 and other applicable provisions of the Companies Act, 1956, if any, and subject to the approval of The Industrial Finance Corporation of India Limited, Sri R Raghuraman, who fulfils the conditions laid down in Part I of Schedule XIII, be and is hereby re-appointed as Joint Managing Director of the Company for a period of 5 years from 01.04.1998 to 31.03.2003 and that he may be paid remuneration in accordance with Part II of Schedule XIII as detailed below :

I. SALARY : Rs.24,000/- per month

II. COMMISSION : 1% of net profit of the Company subject to a maximum of 50% of Salary computed in the manner laid down in Section 309(5) of the Act.

III. PERQUISITES :

### CATEGORY A :

1. House Rent Allowance - subject to a Ceiling of 60% of the Salary

2. Medical Reimbursement - Reimbursement of Medical expenses incurred for self and family subject to a ceiling of one month salary in a year or 3 months salary over a period of 3 years.

3. Leave Travel Concession : Leave Travel Concession for self and family once in a year incurred in accordance with the rules of the Company.

4. Club Fees : Fees of Clubs subject to a maximum of two clubs, admission and Life-Membership fees not being allowed.

5. Personal Accident Insurance : Premium not to exceed Rs.1000/- per annum

EXPLANATION : Family means Spouse, Dependent Children and Dependent Parents of the Director





## Sri Lakshmi Saraswathi Textiles (Arni) Limited

### CATEGORY B :

1. Contribution to Provident Fund, Superannuation Fund and Annuity Fund
2. Gratuity payable shall not exceed half a month's salary for each completed year of service subject to a maximum of Rs. 2,50,000/-

### CATEGORY C :

Provision of Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Individual appointee concerned.

"FURTHER RESOLVED THAT this revised Remuneration be paid to Sri R Raghuraman, Joint Managing Director from 01.04.97 to 31.03.98 during his current term of appointment also"

10. To re-appoint Sri S Balakrishna, Wholetime Director, for a period of 5 years and to revise his remuneration

To consider and if thought fit to pass with or without modification, the following Resolution as ORDINARY RESOLUTION

"RESOLVED THAT pursuant to Sections 269, 198(4), 309(3) and 310 and other applicable provisions of the Companies Act, 1956, if any, and subject to the approval of The Industrial Finance Corporation of India Limited, Sri S Balakrishna, who fulfils the conditions laid down in Part I of Schedule XIII, be and is hereby re-appointed as Wholetime Director of the Company for a period of 5 years from 01.04.1998 to 31.03.2003 and that he may be paid remuneration in accordance with Part II of Schedule XIII as detailed below:

- I. SALARY : Rs.23,500/- per month
- II. COMMISSION : 1% of net profit of the Company subject to a maximum of 50% of Salary computed in the manner laid down in Section 309(5) of the Act.
- III. PERQUISITES :

### CATEGORY A :

1. House Rent Allowance - subject to a Ceiling of 60% of the Salary
2. Medical Reimbursement - Reimbursement of Medical expenses incurred for self and family subject to a ceiling of one month salary in a year or 3 months salary over a period of 3 years.
3. Leave Travel Concession : Leave Travel Concession for self and family once in a year incurred in accordance with the rules of the Company.
4. Club Fees : Fees of Clubs subject to a maximum of two clubs, admission and Life-Membership fees not being allowed.
5. Personal Accident Insurance : Premium not to exceed Rs.1000/- per annum

EXPLANATION : Family means Spouse, Dependent Children and Dependent Parents of the Director

### CATEGORY B :

1. Contribution to Provident Fund, Superannuation Fund and Annuity Fund
2. Gratuity payable shall not exceed half a month's salary for each completed year of service subject to a maximum of Rs. 2,50,000/-



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

### CATEGORY C :

Provision of Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Individual appointee concerned.

"FURTHER RESOLVED THAT this revised Remuneration be paid to Sri S Balakrishna, Wholetime Director from 01.04.97 to 31.03.98 during his current term of appointment also"

11. To consider and if that fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION.

"Resolved that the consent of the company be and is hereby accorded to the Board of Directors of the Company in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to mortgaging and/or charging of all the immovable properties of the Company wheresoever situate, present and future, and the whole of the undertaking of the Company and/or conferring power to take over the management of the business and concern and undertaking of the Company in certain events (whether such power is contained in the documents creating the mortgage/ charge or otherwise) to or in favour of the following, namely :

1. The Industrial Finance Corporation of India Limited for the following :
  - a. Foreign Currency Loan of DM 1,813,237 equivalent to Rs.400 Lakhs.
2. Indian Overseas Bank, for the following Working Capital Limit :
  - a. Working Capital Demand Loan of Rs.372 Lakhs.

FURTHER RESOLVED that the mortgage/ charge created/ to be created and/or all agreements/ documents executed/ to be executed and or acts done in terms of the above resolution by and with the authority of the Board of Directors are hereby confirmed and ratified.

By Order of the Board

Place : Chennai  
Date : 27th June, 1997

**R. SRIHARI**  
Managing Director

### NOTE:

1. A Member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself and such a proxy need not be a Member.
2. The Proxy Form duly stamped and executed should be deposited at the Registered Office of the Company atleast forty eight hours before the time fixed for the commencement of the Meeting.
3. The Dividend, when declared, will be paid to those members whose names appear on the Register of Members on August 8, 1997.
4. The Register of Members and Share Transfer Books of the Company will remain closed from August 1, 1997 to August 8, 1997 (both days inclusive).
5. Members are requested to notify the change in Address, if any.
6. Unclaimed Dividend as per Sec.205-A for the year 1993-94 will be transferred to the General Revenue Account of the Central Government, when it becomes due.