



54th
ANNUAL REPORT
2000 - 2001

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SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

COIMBATORE 641 006

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SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

Board of Directors

Sri R. DORAISWAMI
(Chairman)
Sri D. LAKSHMINARAYANASWAMY
(Managing Director)
Sri G. V. DORAISWAMY
Sri L. DAMODARASWAMY
Sri N. JOTHIKUMAR
Sri G. R. KARTHIKEYAN

Vice-President, (Planning & Finance)

Sri N. NARASIMHALU

Company Secretary

Sri S. KRISHNAN

Internal Auditor

Smt. SHASHIREKHA VENKATESH

Auditors

M/s. M. S. JAGANNATHAN & VISVANATHAN

Bankers

INDIAN BANK
INDIAN OVERSEAS BANK
STATE BANK OF HYDERABAD
STATE BANK OF TRAVANCORE
BANK OF BARODA
THE SOUTH INDIAN BANK LTD.

Registered Office

1493 Sathyamangalam Road
Ganapathy (PO)
Coimbatore 641 006
Phone : 531022
E-mail : srmc@md2.vsnl.net.in

Mills

1. COIMBATORE
2. NAGARI (A.P.)
3. SATHYAMANGALAM

SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

NOTICE OF THE 54th ANNUAL GENERAL MEETING

NOTICE is hereby given that the 54th Annual General Meeting of the Company will be held at the Registered Office of the Company on Monday, the 30th day of July, 2001 at 2.45 P.M. to consider the following Agenda. All the members of the Company are requested to attend the same.

A G E N D A**ORDINARY BUSINESS**

1. To receive and adopt the Directors' Report and the audited Profit and Loss Account for the year ended 31st March 2001, the audited Balance Sheet as at that date and the Auditors' Report thereon.
2. To elect a Director in the place of Sri N. Jothikumar who retires by rotation and who is eligible for re-election.
3. To appoint auditors to hold office from the close of the ensuing Annual General Meeting till the close of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED that consent, pursuant to section 293(1)(a) of the Companies Act, 1956 or any amendment or modification thereof, be and the same is hereby accorded to the Board of Directors of the Company ("the Board") to mortgaging and/or charging by the Board of Directors of the Company of all the movable and immovable properties of the Company wheresoever situate, present and future, and the whole of the undertaking of the company together with power to take over the management of the business and concern of the company in certain events to or in favour of :

- a) Bank of Baroda (BOB)
- b) State Bank of Hyderabad (SBH); and
- c) The South Indian Bank Ltd., (SIB)

to secure, on second charge basis, the additional working capital facilities of Rs.40/- lakhs from BOB; Rs.63/- lakhs from SBH and Rs.16.50 lakhs from SIB aggregating Rs.119.50 lakhs together with interest thereon at the agreed rates, compound interest, additional interest, liquidated damages, commitment charges, cost, charges, expenses and other monies payable by the company to BOB, SBH & SIB under their loan agreements entered into by the company in respect of the above said working capital facilities.

Resolved further that the Board of Directors of the company be and is hereby authorised to finalise with IDBI, the first charge holder, the documents for creating aforesaid mortgage and/or charge and to do all such acts and things as may be necessary for giving effect to the above resolution".

EXPLANATORY STATEMENT PURSUANT TO SEC.173 OF THE COMPANIES ACT, 1956.
Item No.4

The Company has availed from Bank of Baroda, State Bank of Hyderabad and the South Indian Bank Ltd additional working capital facilities aggregating Rs.119.50 lakhs which is to be secured by a second charge on all the movable and immovable properties of the company present and future.

Section 293(1)(a) of the Companies Act, 1956 provides inter alia, that the Board of Directors of a public company shall not, without the consent of such public company in general meeting sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking of the whole or substantially the whole of any such undertaking(s).

Since the mortgaging by the company of its immovable and movable properties as aforesaid in favour of BOB, SBH & SIB may be regarded as disposal of the company's properties/undertakings, it is necessary for the members to pass a resolution under Section 293(1)(a) of the Companies Act, 1956. Copy of sanction letter and the relevant documents/correspondence between BOB, SBH & SIB and the company are open for inspection at the Registered Office of the company between 11.00 A.M. and 1.00 P.M. on any working day prior to the date of the meeting.

None of the Directors of the company is interested in the resolution.

Ganapathy
Coimbatore 641 006
27-4-2001

By Order of the Board
For Sri Ramakrishna Mills (Coimbatore) Ltd
(Sd.) D. Lakshminarayanaswamy
Managing Director

NOTE :

1. Every member of the company 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. The Register of Members of the company will remain closed from 20.7.2001 to 30.7.2001 (both days inclusive).
 3. Dividends remaining unpaid to the shareholders have been transferred to the General Revenue Account of the Central Government upto the year ended 31-3-1995. Those shareholders who have not received dividends for any year prior to this date are requested to apply to the Registrar of Companies, Tamil Nadu, Coimbatore.
 4. Pursuant to the provisions of Sec.205A of the Companies Act, 1956, as amended, dividend for the financial year ended 31.3.96 and thereafter which remain unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government.
Members who have not encashed dividend warrant(s) so far for the financial year ended 31.3.96 or any subsequent financial year are requested to make their claim to the Company.
 5. Members desirous of making a nomination in respect of their shareholding in the company as permitted under Sec.109A of the Companies Act, 1956 are requested to submit the prescribed Form 2B for this purpose to the Company.
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SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED**REPORT OF THE DIRECTORS TO THE SHAREHOLDERS**

Ladies and Gentlemen,

Your Directors submit the following report on the working of the company for the year ended 31.3.2001.

After meeting all working expenses, interest, repairs to machinery and buildings and expenditure on modernisation, the working results of the company are as follows:

FINANCIAL RESULTS:	31-3-2001	31-3-2000
	Rs.	Rs.
Gross Profit / Loss (-)	4,75,79,462	(-) 10,18,89,214
DEDUCT / ADD:		
Provision for Bonus	43,05,500	41,66,686
Managerial remuneration	19,67,500	19,28,150
Depreciation	1,91,38,858	1,93,23,310
Net Profit / Loss (-) for the year	2,21,67,604	(-) 12,73,07,360
Deducting / Adding thereto		
the following payments:		
Donations	38,826	11,100
Prior year Bonus	43,60,684	39,24,782
Prior year expenses	29,90,533	74,27,828
	1,47,77,561	(-) 13,86,71,070
ADD / DEDUCT:		
Prior year income	26,401	1,75,842
Income-tax refund	26,56,207	1,282
Liabilities/Excess provision treated as profit	49,855	87,274
Balance of Profit / Loss (-)	1,75,10,024	(-) 13,84,06,672

The above Profit has been carried over to Balance sheet.

PERFORMANCE

Despite the over capacity and the continuing crisis in Textiles, your company seemed to herald its revival during the year under report. Your Directors feel that the profits made by the company for the year under report have been satisfactory.

PROSPECTS

Performance of the Company in current year is expected to improve due to modernisation, value additions, investment in energy saving equipment and other cost saving measures undertaken by the company.

**SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED**

DIRECTORS

Sri N. Jothikumar one of the Directors of the Company retires by rotation at the ensuing Annual General Meeting of the Company.

The place so vacated by him has to be filled up in the same meeting. The retiring Director is eligible for re-election.

FIXED DEPOSITS

The Board of Directors wish to inform you that as on 31-3-2001, 419 deposits totalling Rs.51,71,891/- have not been claimed after the due dates of the respective deposits.

ENERGY CONSERVATION

Particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to the Companies (Declaration of particulars in the Report of Board of Directors) Rules, 1988 are annexed separately and form part of this report.

EMPLOYEES

The particulars of employees as per Section 217(2A) of the Companies Act, 1956 are set out in the statement annexed to and forming part of this report.

STATEMENT OF RESPONSIBILITY OF DIRECTORS

As required under section 217 (2AA) of the Companies Act, 1956 your Directors state :

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) that the accounting policies selected and applied are consistent and the judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.
- iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) that the annual accounts have been prepared on a going concern basis.

GENERAL

The Auditors of the company M/s. M.S. Jagannathan & Visvanathan retire at the ensuing Annual General Meeting and are eligible for re-appointment at the same meeting.

The cost accounting records maintained by the Company as required under

Sec. 209(1)(d) of the Companies Act, 1956 would be audited by M/s. S. Mahadevan & Co., Cost Accountants, duly approved by the Government for the year ended 31-3-2001 to comply with statutory requirements.

Our thanks are due to Indian Bank, Indian Overseas Bank, State Bank of Hyderabad, State Bank of Travancore, Bank of Baroda and South Indian Bank Ltd., and also to Industrial Development Bank of India and other financial institutions for their continued support and assistance in meeting our financial needs.

The Directors appreciate the services rendered by the Officers, Staff and the employees of the Company.

We pray for the Grace of Almighty Sri Jaganatha Perumal for the prosperity of the Company.

Ganapathy
Coimbatore 641 006
27-4-2001

For the Board of Directors
(Sd.) R. Doraiswami
Chairman

ADDENDUM TO DIRECTORS' REPORT

As regards the observation made by the Auditors in their report, we have to state that Note Nos.17 & 18 of the Notes annexed to and forming part of the Balance Sheet are self explanatory.

Ganapathy
Coimbatore 641 006
27-4-2001

For the Board of Directors
(Sd.) R. Doraiswami
Chairman



ANNEXURE TO DIRECTORS' REPORT

Particulars pursuant to the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY

a) Energy Conservation measures taken:

A study on Energy Conservation was conducted at all the manufacturing units of the company during the year. Proposals for Energy Conservation which were accepted after due evaluation are being implemented.

b) Additional investments and proposals being implemented for reduction of consumption and consequent impact on cost of production:

...NIL...

c) Impact of measures (a) and (b) for reduction of energy consumption and consequent impact on cost of production:

The Proposals are under various stages of implementation. Such implementation and impact thereof on cost are being closely monitored.

d) Total energy consumption and energy consumption per unit of production as prescribed in Form-A.

	Year ended 31-3-2001	Year ended 31-3-2000
(A) Power and Fuel Consumption:		
1. Electricity		
a) Purchased:		
Units (in lakhs)	251.77	204.29
Total amount (Rs.in lakhs)	1042.00	815.78
Rate per Unit (Rs.)	4.14	3.99
b) Own Generation:		
i) Through Diesel Generator		
Units (in lakhs)	65.92	114.49
Units per litre of Diesel Oil	3.16	3.25
Cost / unit (Rs.)	4.85	4.07
ii) Through Steam turbine/Generator	Nil	Nil
2. Coal	Not used	Not used
3. Furnace oil	Not used	Not used
4. Other/internal generation	Nil	Nil

(B) Consumption per unit of production:

Electricity - Units per kg of yarn	3.48	3.47
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SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED

B. TECHNOLOGY ABSORPTION

Efforts made in Technology absorption as per Form B:

Indigenous technology alone is used and Research and Development is carried out by a separate Textile Research Association viz. South India Textile Research Association for Textile Units situated in the Southern Region of which the Company is a member.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- i) Activities relating to exports, initiatives taken to increase exports, development of new export market for products and services and export plans:

Presently exporting yarn. Steps are being taken to increase export of yarn further and to explore new markets.

- ii) Total foreign exchange earned and used

Rs.

Earned

Export of yarn - in foreign exchange	20,53,61,035
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Used

- a) Expenditure in Foreign Currency on account of :

Interest on F.C. loans from Banks/Institution	25,38,057
Commission on sales	30,18,493
Travel	4,01,369

- b) Value of imports calculated on CIF basis :

Capital Goods	1,00,15,800
Components and Spares	10,39,259
Raw material	17,33,13,347

Ganapathy
Coimbatore 641 006
27-4-2001

For the Board of Directors
(Sd.) R. Doraiswami
Chairman

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