

Super Spinning Mills Limited



**Annual Report
2001-2002**



Super Spinning Mills Limited

Chairman

Mr L G Ramamurthi

Vice-Chairman and Managing Director

Mr Sumanth Ramamurthi

Board of Directors

Mr C R Ramamurthy
Mr S Ramaswamy Naidu
Mr D Sarath Chandran
Mr Sudarsan Varadaraj
Mr Vidyaprakash D
Mr B Vijayakumar

Company Secretary

Mr N Mohanram

Auditors

M/s Reddy, Goud & Janardhan

Bankers

Union Bank of India
State Bank of India
Citibank
Deutsche Bank
Scotia Bank

Registered & Central Office

"ELGITOWERS"
P B 7113, 737-D, Green Fields
Puliakulam Road
Coimbatore - 641 045
Tamil Nadu

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Mills

A & O E Unit : Kirikera, Andhra Pradesh
B Unit : Kotnur, Andhra Pradesh
C Unit : D-Gudalur, Tamil Nadu
Garment Unit : Neelambur, Tamil Nadu



SUPER SPINNING MILLS LIMITED

"Elgi Towers" P.B. No. 7113, 737-D, Green Fields
Puliakulam Road, Coimbatore - 641 045

Dear Shareholders,

We wish to bring to your kind attention the following :

1. The Annual General Meeting of the company will be held on Wednesday, the 24th July, 2002.
2. Due to administrative reasons, it has been decided that the dividend warrant for the year 2001-2002 will be sent by post.
3. The dividend warrants will not be distributed at the AGM Hall on 24.7.2002, which may kindly be noted.
4. Kindly contact us at Phone No. 311711 (0422) or write to us for clarifications, if any.
5. Members holding shares in physical form are requested to intimate the following :
 - a. The name and address of the bank, A/c No, for incorporating the same in the dividend warrant.
 - b. Consolidation of various ledger folios into one.
 - c. Change in address, if any intimate immediately.
6. As per the recent amendment in the Companies Act, 1956 :
 - a. Dividend for the financial year 1995-96 and thereafter, which remain unclaimed for a period of 7 years, will be transferred to Investor Education and Protection Fund.
 - b. Any claim relating to the Dividend for the financial year 31.3.1996 to 31.3.2002 should be made at the earliest to the Company.
 - c. Once the unclaimed dividends are transferred to the Investor Education and Protection Fund, the shareholders cannot claim the dividend at all thereafter from the Company.
7. Dematerialisation :
 - a. The Company shares are compulsorily dematerialised from October 2001 onwards.
 - b. Shareholders are requested to inform their change in address to their depository participants (DP's) immediately.
 - c. Shareholders are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the Annual General Meeting.

Yours faithfully,

N. Mohanram
Company Secretary

சூப்பர் ஸ்பின்னிங் மில்ஸ் லிமிடெட்

"எல்ஜி டவர்ஸ்" த.பெ. எண் 7113
737-D, கிரீன் பீல்ட்ஸ், புலியகுளம் ரோடு
கோயமுத்தூர் - 641 045

அன்பார்ந்த பங்குதாரர்களே,

1. 2001 - 2002 ஆம் ஆண்டிற்குரிய மகாசபைக் கூட்டம் 24.07.2002 அன்று நடைபெற உள்ளது.
2. சில அலுவலக நடைமுறைகளை கருத்தில் கொண்டு 2001-2002 ஆம் ஆண்டிற்குரிய டிவிடென்ட் வாரண்ட் 24.07.2002 அன்று நடைபெறும் மகாசபைக் கூட்டத்தில் வழங்கப்பட மாட்டாது என்பதைத் தாமதமையுடன் தெரிவித்துக் கொள்கிறோம்.
3. மேலும் மேற்கூறிய டிவிடென்ட் வாரண்ட், பங்குதாரர்களுடைய முகவரிக்குத் தபால் மூலம் அனுப்பி வைக்கப்படும்.
4. இது குறித்து மேலும் விவரங்கள் தேவைப்படுமானால் எங்கள் அலுவலகத்திற்கு தொலைபேசி மூலமாகவோ (தொலைபேசி எண் 311711) அல்லது கடிதம் மூலமோ தொடர்பு கொள்ளலாம்.
5. பங்குதாரர்கள் கீழ்க்கண்ட தகவல்களை கம்பெனிக்கு உடனடியாக தெரிவிக்குமாறு கேட்டுக் கொள்கிறோம்.
 1. தாங்கள் கணக்கு வைத்துள்ள வங்கியின் பெயர், முகவரி மற்றும் கணக்கு எண்.
 2. ஒன்றுக்கும் மேற்பட்ட பதிவு எண்கள் இருப்பின் அதன் விவரம்.
 3. தங்களின் முகவரி மாற்றம் உடனடியாகத் தெரிவிக்கவும்.
6. 1999ம் ஆண்டைய கம்பெனிகள் சட்டத் திருத்தத்தின்படி 1995-96ம் ஆண்டு மற்றும் அதையடுத்து வரக்கூடிய ஆண்டுகளுக்கான பங்கு ஈவுத் தொகையை கம்பெனியிலிருந்து பெற்றுக் கொள்ளாத பங்குதாரர்கள் உடனடியாக பெற்றுக் கொள்ளுமாறு கேட்டுக் கொள்கிறோம்.
 1. மேற்படி ஈவுத்தொகை அறிவிக்கப்பட்ட நாளிலிருந்து 7 ஆண்டுகளுக்குள் பெற்றுக் கொள்ளப்படவில்லையானால், அத்தொகை மத்திய அரசின் முதலீட்டாளர்கள் கல்வி மற்றும் பாதுகாப்பு நிதியத்தில் சேர்க்கப்படும்.
 2. மேற்படி நிதியத்தில் சேர்ப்பிக்கப்பட்ட ஈவுத் தொகை பங்குதாரர்களால் திரும்பப்பெற இயலாது.
7. 1. கம்பெனியின் பங்குகள் அக்டோபர் 2001ம் முதல் கட்டாயமாக மின் பங்குகளாக (Demat Form) மட்டுமே பரிவர்த்தனை செய்யப்படும்.
 2. பங்குதாரர்கள் முகவரி மாற்றத்தை தங்களது மின் பங்கு பரிவர்த்தனையாளர்களிடம் (Depository Participants) உடனடியாகத் தெரிவிக்கவும்.
 3. மின் பங்குகளை வைத்துள்ள பங்குதாரர்கள் வருபாந்திர மகாசபை கூட்டத்திற்கு வரும் பொழுது தங்களுக்கு வழங்கப்பட்டுள்ள அடையாள எண் மற்றும் மின் பங்கு பரிவர்த்தனையாளர்களின் அடையாள எண்களை கொண்டு வரவும்.

இப்படிக்கு

என். மேகன்ராம்
கம்பெனி செயலாளர்



Notice of Annual General Meeting

Notice is hereby given that the 40th Annual General Meeting of the Company will be held on **Wednesday, the 24th July, 2002 at 3.00 PM** at Ardra Convention Centre, 'Kaanchan', No. 9, North Huzur Road, Coimbatore 641 018, to transact the following business :

Ordinary Business :

1. To receive, consider and adopt the following :
 - a) The Profit and Loss Account for the year ended 31st March, 2002.
 - b) The audited Balance sheet as at 31st March, 2002 and
 - c) The reports of the Directors' and the Auditors'.
2. To declare a dividend.
3. To appoint a Director in the place of Mr S Ramaswamy Naidu who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Mr Sudarsan Varadaraj, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors of the Company and approve their 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 the provisions of Section 198, 269, 309, 310 and other applicable provisions read with Schedule XIII of the Companies Act, 1956, Mr Sumanth Ramamurthi be and is hereby appointed as Vice Chairman and Managing Director of the Company for a period of five years with effect from 1.4.2002 on the following terms and conditions.

Remuneration

- I. **Salary** : Rs. 1,50,000/- per month in the scale of Rs. 1,50,000 - 15,000/-.
- II. **Commission** : 2% of the net profit of the Company subject to the overall Ceiling laid down in Section 198 and 309 of the Companies Act, 1956.
- III. **Perquisites.**

In addition to salary and commission, perquisites shall be allowed as detailed below :

1. **Housing** : Unfurnished residential accommodation will be provided. In its absence, 50% of the salary will be paid as house rent allowance.

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

- a) **Medical** : Reimbursement of medical expenses incurred for self and his family.
- b) **Leave Travel Concession** : Leave Travel Concession for self and his family.
- c) **Gas, Water etc** : Reimbursement of expenditure incurred on gas, electricity, water, furnishing and appliances.
- d) **Club fee** : For self.
- e) **Insurance** : Life, 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 unutilized portion of the limit shall be carried over for a period of three years.

3. He shall also be eligible to the following benefits which shall not be included in the computation of the ceiling on the remuneration.

- a) **PF/SAF** : Contribution to Provident Fund and/or Super Annuation Fund and/or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- b) **Gratuity** : Gratuity payable at the rate not exceeding half a month's salary of each year of completed service or at the rate as may be modified from time to time as per the payment of Gratuity Act, 1972.

4. Free use of Company Car and Telephone at his residence.

Resolved Further that in the event of no profits or inadequacy of profits, the remuneration payable to Mr Sumanth Ramamurthi, Vice Chairman and Managing Director, shall not exceed the limits specified in Sec. II of Part II of Schedule XIII of the Companies Act, 1956 or such other limits as may be notified by the Government from time to time as minimum remuneration.

Coimbatore
13th May, 2002

By Order of the Board
L G Ramamurthi
Chairman



Explanatory Statement pursuant to the provisions of Section 173 (2) of the Companies Act, 1956.

Item No. 6

The tenure of Mr Sumanth Ramamurthi, as Vice Chairman and Managing Director expired on 31.3.2002. The Board of Directors of the Company at their meeting held on 13th May, 2002 re-appointed Mr Sumanth Ramamurthi as Vice Chairman and Managing Director of the Company for a further period of five years with effect from 1.4.2002. His salary has been revised from Rs. 1,37,500/- to Rs. 1,50,000/- per month. The Board therefore, recommends the Ordinary Resolution set out as Item No. 6 of the accompanying notice.

None of the Directors except Mr Sumanth Ramamurthi, Mr L G Ramamurthi and Mr Vidyaprakash D are interested in this resolution.

The terms of remuneration as set out in the resolution may be regarded as an abstract of the terms of contract and memoranda of interest for the purpose of Section 302 of the Companies Act, 1956.

By Order of the Board

Coimbatore
13th May, 2002

L G Ramamurthi
Chairman

Notes :

1. Every member entitled to attend and vote at the meeting is entitled to appoint a proxy. Such 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 the Share Transfer Books of the Company will remain closed from 2.7.2002 to 24.7.2002 (both days inclusive).
4. The Company has transferred the unclaimed dividend to the General Revenue Account of the Central Government for and upto the Financial Year 1994-95. The concerned members may, therefore, submit their claims to the Registrar of Companies (Tamil Nadu), Stock Exchange Building, Coimbatore.
5. Members whose income is less than the taxable limit and are desirous of claiming exemption from deduction of income tax at source from the dividend payable pursuant to Section 197A of the Income Tax Act, 1961 and where the dividend is more than Rs. 1,000 are requested to file the enclosed Form 15-G in duplicate, with the Company on or before 6th July, 2002.
6. Members are requested to inform the Company their Permanent Account Number (PAN) or the GIR Number and Income Tax Ward/Range/District where assessed/assessable so as to enable the Company to comply with the provisions for issuing Tax Deduction Certificates.
7. As per the amended provisions of the Companies Act, 1956 dividend remaining unclaimed for a period of 7 years has to be transferred to Investors Education and Protection Fund established by the Government. Accordingly dividend relating to the financial year 1995-96 declared on 30-8-1996 and remaining unclaimed will be transferred to the above fund in August 2003.

Directors' Report

To the Members,

Your Directors have pleasure in presenting the 40th Annual Report together with the audited statement of accounts for the financial year ended 31st March, 2002.

Financial Results	31.3.2002 Rs. Lacs	31.3.2001 Rs. Lacs
Sales - Yarn Domestic	11613	10995
- Yarn Exports	11622	10472
- Garments - Domestic	27	—
- Garments - Export	8	—
- Fabric	14	65
- Trading Goods (Cotton)	6273	2958
	29557	24490
Add : Increase/(Decrease) in stock of Finished Goods	(127)	633
Add : Other Income	139	120
Total Income	29569	25243
Operating Profit	3385	3352
Less : Interest	1038	1118
Gross Profit	2347	2234
Less : Depreciation	1350	1369
Profit Before Tax	997	865
Less : Provision for Taxation	115	80
Add : Deferred Tax	10	—
Profit After Tax	892	785
Less : Prior year Expenses	3	4
Net Profit	889	781
Add : Balance brought forward	59	60
Profit available for appropriation	948	841
Appropriations		
Proposed Dividend	193	165
Tax on Dividend	—	17
General Reserve	700	600
Balance carried forward	55	59
	948	841

Dividend

Your Directors recommend a dividend of 35%, absorbing a sum of Rs. 193 lacs.



Review of Performance

The Textile Industry has passed through another turbulent year of performance. Continuing Economic recession, over capacity in the spindleage and sluggish demand in the market coupled with September 11th incident have affected the textile industry in the domestic and international fronts. The slump in the overseas markets has diverted the yarn supply to the domestic market in excess of its demand which resulted in poor price realization for the products. The raw material prices also witnessed frequent fluctuations in both the local and international markets.

The management of your company has closely monitored the factors affecting the business. Efforts were made to exploit the opportunity available to the company to its benefit in full and timely protective steps such as cost cutting exercises and judicious use of man power and other resources helped the company in sustaining the growth.

Your directors have adopted several product mixes to maximize the realization of prices and more focus was given on the value added products such as gassed, mercerized dyed yarns and fabrics, which helped the company to absorb the recessionary shocks.

Management's concentration on sourcing of raw materials from the international market, thrust on higher productivity, efficient usage of energy and constant efforts in borrowing funds at the lowest interest rates enabled the company to reduce the inputs cost and improve the profitability.

Optimum utilization of infrastructure, continuous modernization and addition of balancing equipment to maintain and improve the production capacities with the latest technology enabled the company to achieve and keep up the international quality standards. Cotton trading, conversion and outsourcing of semi finished products were also resorted to get the best out of the market.

In the opinion of the directors, in spite of the various adverse factors experienced by the textile industry, the performance of your company is considered to be more than satisfactory for the year under review.

Merger of Subsidiaries

In order to consolidate the utilization of resources and for effective management control, M/s Standard General Finance Limited and M/s SGF Investment Company Limited, wholly owned subsidiary of our company, were merged with Super Spinning Mills Limited.

SARA Apparels and Fashions

Garment division of our company, under the name style of SARA Apparels and Fashions, was started during the month of January, 2002 at Neelambur in Coimbatore. This division produces primarily 'T' Shirts and polo shirts made of gassed single and double, mercerized yarn. This division has a capacity of producing 1000 polo shirts per day using the state of art machines namely JUKI, PEGASUS and HASHIMA. The first export consignment of this division has been shipped during February, 2002.

Exports

The exports during the year amounted to Rs. 11630 lacs as against Rs. 10472 lacs in the previous year, registering a growth

of 11%, despite recession in the export market. Your company will continue its efforts in exploring the new export markets to increase its share of exports.

Prospects

Though this year opened with a positive note of recovery, the textile industry will continue to travel in a tight recessionary path. WTO is also posing a threat to the domestic industry. As a result, the cost of the raw materials and the price of the finished products will be highly volatile.

The western markets, especially US and Europe are still under a recessionary grip. Our company will exert more efforts to increase its market reach in this region. Your management is putting its concerted efforts in the cost control, higher productivity and improved quality of the product to maximize the company's performance.

Your directors will continue to drive the company in going up in the value chain of the product and add more value added products in future. Depending upon the demand pull for the garments, the capacity of the garment unit will be increased in coming years.

During the year, your Company will be in the process of increasing its capacity by installing additional 192 Rotors at its 100% EOU in Tamil Nadu to utilize the cotton waste generated from our mills.

Management Discussion and Analysis Report

From the overall perspective, the textile industry looks optimistically for the current year. However, raw material and yarn price are unpredictable and may bring surprises on the performance of the Company. Our plan of going up in the value chain of the product and the cotton trading business are expected to support the Company to an extent. Our Company has inbuilt internal controls, through various audit, to strengthen its systems and procedures to arrest the revenue leakages. In the industrial relation front, Company will continue to maintain cordial relationship with staff, labour and their representatives.

Directors

Mr. S. Ramaswamy Naidu and Mr. Sudarsan Varadaraj retire by rotation at the ensuing Annual General Meeting. The retiring Directors are eligible for reappointment.

Auditors

M/s. Reddy, Goud & Janardhan, the auditors of the Company, retire at the ensuing Annual General Meeting and have given their consent for re-appointment.

Statutory Information

A statement showing the details of employees under Section 217(2A), Directors responsibility statement under Section 217 (2 AA) of the Companies Act, 1956 and a report on Corporate Governance are enclosed.

Fixed Deposits

91 Fixed Deposits amounting to Rs. 15.71 lacs have remained unclaimed as on 31st March, 2002. Subsequently 21 deposits amounting to Rs. 5.27 lacs have been either renewed or repaid.

**Acknowledgement**

Your Directors wish to thank the Company's Bankers, Financial Institutions, Customers and Suppliers for their unstinted support and co-operation.

Your Directors wish to place on record their deep sense of appreciation for the tremendous confidence reposed by the shareholders and the deposit holders in the Company.

The Board of Directors also wish to thank the employees at all levels for their excellent support and contribution made by them towards achieving this results despite severe constrains.

Coimbatore
13th May, 2002

By Order of the Board
L G Ramamurthi
Chairman

Annexure to the Directors' Report**A. Conservation of Energy**

Usage of alternate fuel to HSD, Energy efficient Motors, out sourcing of energy, systematic energy audits by in-house/ outside consultants and the incorporation of energy saving attachments (tube lights, domestic energy saving fabrications for different mcs) are expected to conserve energy consumptions significantly. Further avenues are also being explored to minimize the energy consumptions.

B. Research and Development

R and D attempts are being made to design suitable modifications in various processing machines to reduce the hairiness of the yarn and the consumption of raw material to reduce the manufacturing cost and to realize better yarn price. Incorporation of modified feeding arrangement in the existing combers, improved washing process after mercerization etc are expected to improve the combed and mercerized yarn quality significantly. Government is seriously thinking of permitting the contract farming. Spinning Mills may be permitted to procure cotton from the farmers under the scheme of contract farming. Keeping this in mind, R & D efforts are made to introduce hybrid cotton seeds to produce long stable fiber cotton locally to substitute imported cotton.

C. Technology Absorption, Adaptation and Innovation :

State of the art open end spinning machines, high tech machines for contamination detection, new garment making unit with the latest range of sewing and fabricating machines, indigenous high production cards were included in our manufacturing process, to improve the value addition and productivity during this year.

D. Directors Responsibility Statement u/s.217(2AA):

Your Directors have taken necessary steps to ensure that:

- All applicable accounting standards have been followed in the preparation of annual accounts.
- All the necessary accounting policies have been adhered to and all necessary adjustments and estimates that are

reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of financial year and of the profit of the Company for that period.

- 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 the preventing and detecting fraud and other irregularities.
- The annual accounts have been prepared on a going concern basis.

FORM-A - CONSERVATION OF ENERGY
(Consolidated for all units)
AS PRESCRIBED IN FORM A

a. Power and Fuel Consumption 31.3.2002 31.3.2001**1. Electricity****a) Purchased**

Units in lacs	486.3	413.2
Total Amount in Rs.lacs	1899.7	1652.4
Rate per Unit in Rs.	3.9	4.0

b) Own Generation**i) Through Diesel Generator**

Units in lacs	220.1	216.2
Units per Litre of Diesel oil	3.7	3.6
Total amount in Rs. lacs	927.2	966.4
Cost per Unit in Rs.	4.2	4.5

ii) Through Windmill generation

Units in lacs	22.7	20.6
Total amount in Rs. lacs	71.9	65.9
Rate per Unit in Rs.	3.2	3.2

Other fuels are not used.

b. Consumption per unit of production

(Production of various counts has been converted to the standard count of 40s)

Electricity (in units) per kg.	4.4	4.7
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Annexure to the Directors' Report showing the Particulars of Employees pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956.

Sl. No.	Name	Age	Qualification & Experience (years)	Designation	Nature of duties	Gross remuneration (Rs.)	Date of Commencement of Employment	Previous Employment
1	Mr L G Ramamurthi	72	DAE (41)	Chairman	Duties pertaining to the office of the Chairman	44,69,562	1.4.1993	Elgi Equipments Limited, Coimbatore
2	Mr Sumanth Ramamurthi	44	BS (ELEC. ENG.) (13)	Vice-Chairman and Managing Director	Management of the Company	50,54,344	1.4.1992	Festo Elgi Private Limited, Coimbatore
3	Mr V Rajagopalan	48	M Com, ACA, ACS, AICWA, LLB (24)	Executive Director	General Management of the Company	16,36,525	1.9.2000	KPMG - Peat Marwick India, Chennai

- Note : 1. Chairman, Vice-Chairman and Managing Director and Executive Director are appointed for a period of five years at a time.
2. Gross remuneration includes salary, allowances, Company's contribution to Provident and Super Annuation Funds and expenditure incurred by the Company for other facilities.
3. Mr L G Ramamurthi and Mr Sumanth Ramamurthi are related to Mr Vidyaprakash D.
4. Mr V Rajagopalan was employed for part of the year.



5 Year Highlights

	1998	1999	2000	2001	2002
Operating Results					
Sales and Other Income	15967	16683	18229	24615	29695
Operating Profit	2530	2146	2454	3352	3385
Interest	540	669	804	1118	1038
Gross Profit	1990	1477	1650	2234	2347
Depreciation	901	1110	1154	1369	1350
Taxes	80	45	70	80	105
Net Profit	1007	316	420	781	889
Dividend (Including dividend tax)	182 *	122 *	153 *	182 *	193
Retained Profit	825	194	267	599	696
Performance Parameters					
Net Fixed Assets	7578	7761	8273	9716	10303
Share Capital	550	550	550	550	550
Reserves	6603	6812	7085	7685	6470**
Net Worth	7153	7362	7635	8235	7020**
Return on Net Worth (%)	14	4	6	9	13
Borrowings	6051	6236	7672	10280	10322
Debt Equity Ratio	0.8 : 1	0.8 : 1	1 : 1	1.2 : 1	1.5 : 1
Dividend (%)	30	20	25	30	35
Earnings per share (Rs.)	18.3	5.7	7.6	14.2	16.2

* Including Dividend Tax.

** After transfer of Rs. 1933 Lacs to Deferred Tax Liability.

**Balance Sheet as at 31st March, 2002**

	Schedule	31.3.2002 Rs. Lacs	31.3.2001 Rs. Lacs
Sources of Funds			
Shareholders' Funds			
Capital	1	550.00	550.00
Reserves & Surplus	2	6470.11	7684.64
		<u>7020.11</u>	<u>8234.64</u>
Loan Funds			
Secured Loans	3	8228.56	7996.55
Unsecured Loans	4	2093.25	2283.43
		<u>10321.81</u>	<u>10279.98</u>
Total		<u>17341.92</u>	<u>18514.62</u>
Application of Funds			
Fixed Assets			
Gross Block	5	19660.50	18009.98
Less : Depreciation		<u>9715.42</u>	<u>8360.65</u>
Net Block		9945.08	9649.33
Capital Work-in-progress		<u>358.09</u>	<u>66.52</u>
		<u>10303.17</u>	<u>9715.85</u>
Investments	6	1124.79	1300.75
Current Assets, Loans & Advances			
Inventories		4471.02	5247.21
Sundry Debtors		1319.24	686.79
Cash & Bank Balances		163.53	93.66
Other Current Assets		188.31	121.22
Loans & Advances		<u>3721.00</u>	<u>3181.26</u>
		<u>9863.10</u>	<u>9330.14</u>
Less : Current Liabilities and Provisions	8	<u>2161.25</u>	<u>2010.25</u>
Net Current Assets		7701.85	7319.89
Deferred Tax Liability (Net)	9	(1922.74)	—
Miscellaneous Expenditure	10	<u>134.85</u>	<u>178.13</u>
Total		<u>17341.92</u>	<u>18514.62</u>

Schedules 1 to 10 and Notes on Accounts form part of this Balance Sheet

As per our report of date attached
For **Reddy, Goud & Janardhan**
Chartered Accountants
Balakrishna S Bhat
Partner
Coimbatore, 13th May, 2002

L G Ramamurthi
Chairman
Sumanth Ramamurthi
Vice-Chairman and Managing Director
N Mohanram
Company Secretary


Profit and Loss Account for the year ended 31st March, 2002

	Schedule	31.3.2002 Rs. Lacs	31.3.2001 Rs. Lacs
Income			
Sales	11	29556.77	24490.06
Other Income	12	138.58	124.86
Increase/(Decrease) in Stock of Finished Goods	13	(126.85)	633.20
		<u>29568.50</u>	<u>25248.12</u>
Expenditure			
Raw Materials	14	10603.26	9698.55
Purchases – Cotton (Trading Goods)		6136.24	2832.05
Purchases – Semi Finished Yarn		1238.32	1673.57
Salaries & Wages	15	1714.82	1666.68
Power & Fuel		2796.94	2711.16
Stores		617.61	634.73
Lease Rental		8.71	13.05
Repairs & Maintenance	16	448.76	767.14
Processing Charges		960.75	566.42
Selling Expenses	17	1023.39	808.43
Administrative Expenses	18	608.68	493.76
Donations		26.00	29.72
Interest	19	1038.45	1118.37
		<u>27221.93</u>	<u>23013.63</u>
Gross Profit		<u>2346.57</u>	<u>2234.49</u>
Less : Depreciation		1349.92	1369.15
Profit before tax		<u>996.65</u>	<u>865.34</u>
Less : Provision for Taxation		115.00	80.00
Add : Deferred Tax		10.31	—
Profit after tax		<u>891.96</u>	<u>785.34</u>
Less : Prior year Expenses		3.22	3.87
Net Profit		<u>888.74</u>	<u>781.47</u>
Add : Balance brought forward		59.26	59.62
Profit available for Appropriation		<u>948.00</u>	<u>841.09</u>
Appropriations			
Proposed Dividend		192.50	165.00
Tax on Dividend		—	16.83
General Reserve		700.00	600.00
Balance carried forward		55.50	59.26
		<u>948.00</u>	<u>841.09</u>
Basic Earnings Per Share (in Rs.)		<u>16.16</u>	<u>14.21</u>

Schedules 11 to 19 and Notes on Accounts form part of this Profit and Loss Account

As per our report of date attached
For **Reddy, Goud & Janardhan**
Chartered Accountants
Balakrishna S Bhat
Partner
Coimbatore, 13th May, 2002

L G Ramamurthi
Chairman
Sumanth Ramamurthi
Vice-Chairman and Managing Director
N Mohanram
Company Secretary