

## 27th Annual Report



Vardhman

1999-2000

# MAHAVIR SPINNING MILLS LIMITED



## MILLENNIUM MESSAGE FROM THE CHAIRMAN

*The Year 2000 is a landmark in the history of mankind – signifying new century and the new millennium. Standing on the threshold of the new millennium, we foresee vast changes, expanding opportunities and new challenges. Underlying all this is accelerated pace of change, euphemistically labled as “business @ the speed of thought”. Therefore, while the new millennium is an occasion to celebrate for impending growth and prosperity, yet is also an occasion for cool and collected thinking for our future in the light of immeasurable changes that are likely to unfold.*

*As we prepare for the new era at Vardhman, we are certain that organisations that will survive and succeed will be ones that have learned to change in tandem with the changing requirements and ahead of the competition. As the Millennium Managers, we are preparing ourselves for impending challenges – borderless world of market forces, technological breakthroughs, growing aspirations of human beings, high expectations of society, global sourcing and free movement of capital and manpower, revolutionary changes in information technology. We know that these changes will have profound influence on our operations, our decisions of investment and management. We are committed to growth and change and to continuous success. Our strong values, systematic working and ethos shall be eternal source of strength in our endeavour. To quote,*

*... or who can tell for what great work in hand ?  
the greatness of our style is now ordained ?  
what powers it shall bring in, what spirits command ?*

*Vardhman group believes in the tremendous potential of textile. We remain committed to strengthening our country's position in the international textile world. With the opening up of barriers in 2005, we see great opportunities. The current expansion and modernisation plan in place will help prepare us to benefit from the same.*

*Hopefully, the coming years shall bring in many powers, command spirits of success, perfection and excellence, the greatest work and achievement of which our growing Company is capable.*

*With best wishes,*



(S.P. OSWAL)



## GENERAL INFORMATION FOR SHAREHOLDERS

### I. Twenty-Seventh Annual General Meeting Details:

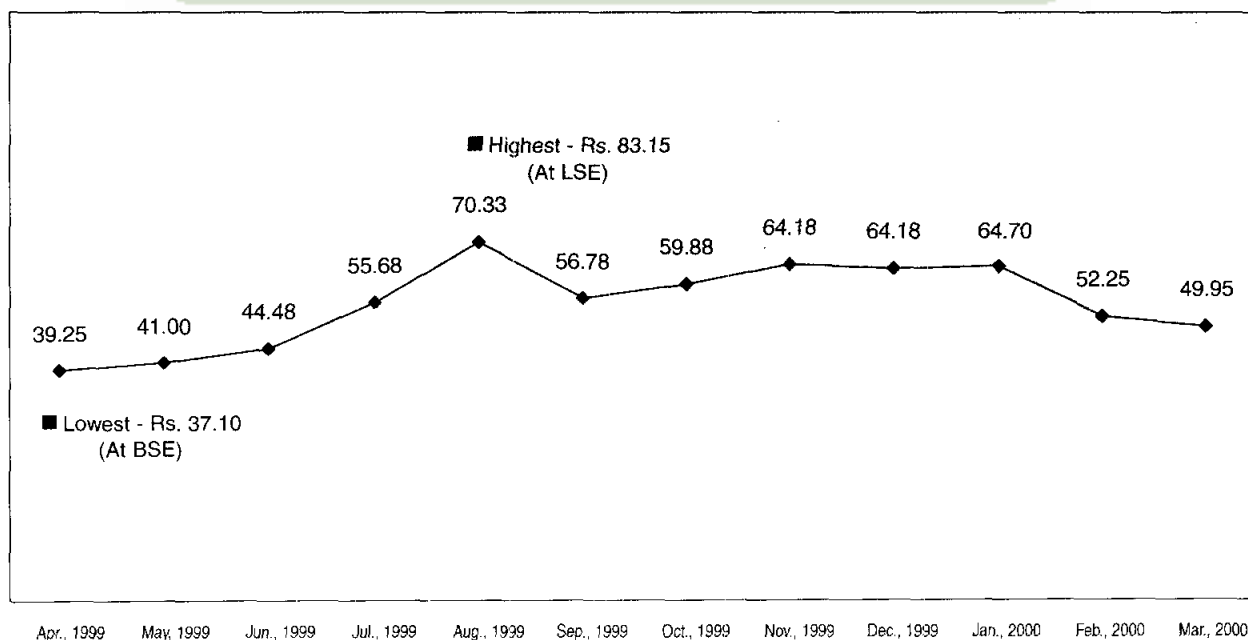
Day & Date	:	Saturday, 26th August, 2000
Time	:	12.00 Noon
Venue	:	Registered Office, Chandigarh Road, Ludhiana-141 010.
Book closure	:	11th August, 2000 to 26th August, 2000
E-mail Address	:	secretarial.lud@ vardhman.com

### II. Listing of Company's Scrips:

The scrips of the Company are listed on the following Stock Exchanges in India. The Company has paid the annual listing fee for the year 2000-2001.

- **The Stock Exchange, Mumbai (BSE)**, 1st Floor, New Trading Ring, Rotunda Building, P.J. Towers, Dalal Street, Fort, Mumbai-400 001. Tel : (022) 2655581, 2655626, 2655860-61 Fax: (022) 2658121.
- **The Delhi Stock Exchange Association Limited (DSE)**, DSE House, 3/1, Asaf Ali Road, New Delhi. Tel : (011) 3292003-4, 3278940 Fax : (011) 3292002, 3319779.
- **The Ludhiana Stock Exchange Association Limited (LSE)**, Feroze Gandhi Market, Ferozepur Road, Ludhiana. Tel : (0161) 412316-318, 403682, 401918 Fax : (0161) 404748.

### III. Trends in the Company's Share Price during the year 1999-2000.



Average monthly closing prices during 1999-2000



## GENERAL INFORMATION FOR SHAREHOLDERS

### I. Twenty-Seventh Annual General Meeting Details:

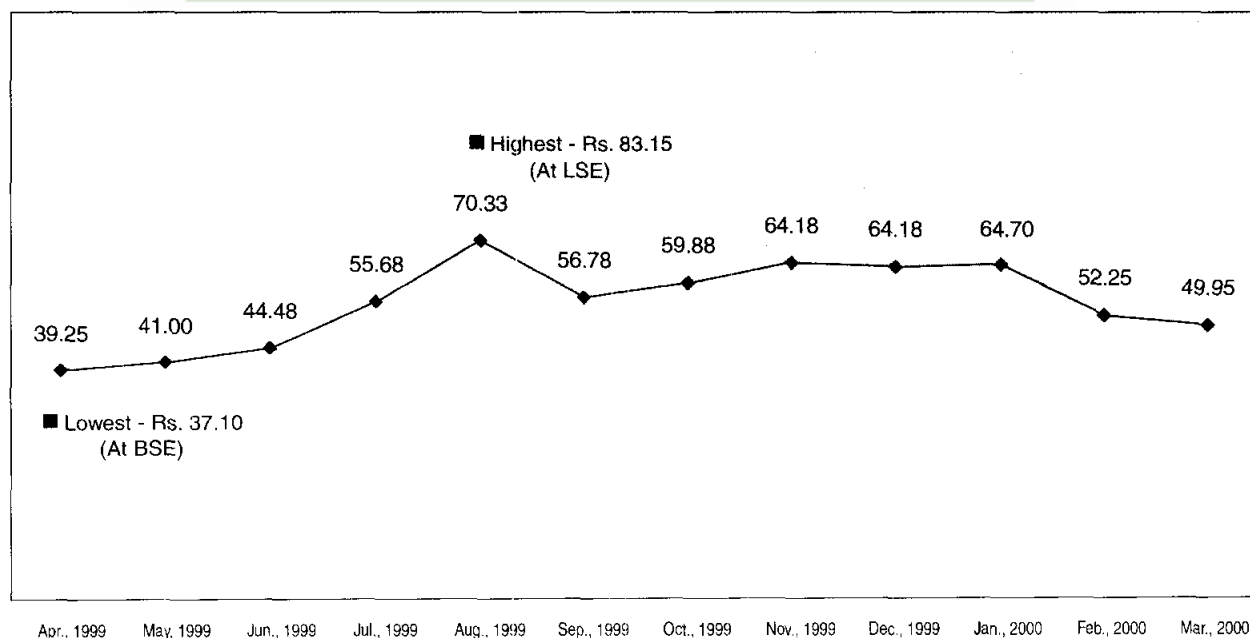
Day & Date	:	Saturday, 26th August, 2000
Time	:	12.00 Noon
Venue	:	Registered Office, Chandigarh Road, Ludhiana-141 010.
Book closure	:	11th August, 2000 to 26th August, 2000
E-mail Address	:	secretarial.lud@ vardhman.com

### II. Listing of Company's Scrips:

The scrips of the Company are listed on the following Stock Exchanges in India. The Company has paid the annual listing fee for the year 2000-2001.

- **The Stock Exchange, Mumbai (BSE)**, 1st Floor, New Trading Ring, Rotunda Building, P.J. Towers, Dalal Street, Fort, Mumbai-400 001. Tel : (022) 2655581, 2655626, 2655860-61 Fax: (022) 2658121.
- **The Delhi Stock Exchange Association Limited (DSE)**, DSE House, 3/1, Asaf Ali Road, New Delhi. Tel : (011) 3292003-4, 3278940 Fax : (011) 3292002, 3319779.
- **The Ludhiana Stock Exchange Association Limited (LSE)**, Feroze Gandhi Market, Ferozepur Road, Ludhiana. Tel : (0161) 412316-318, 403682, 401918 Fax : (0161) 404748.

### III. Trends in the Company's Share Price during the year 1999-2000.



Average monthly closing prices during 1999-2000

## Mahavir Spinning Mills Ltd.

**IV. Dematerialisation of Shares:**

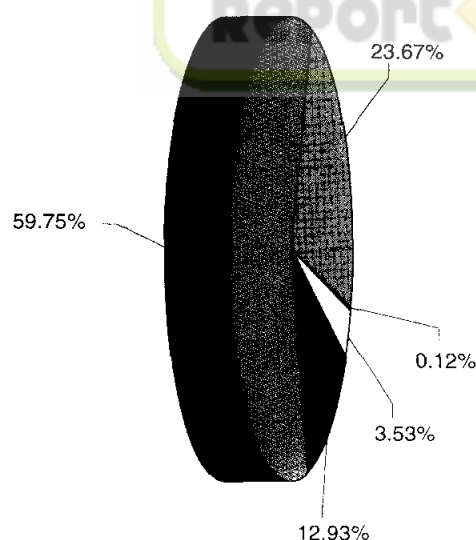
Name of Depositories for Dematerialisation	International Securities Identification Number (ISIN)
--	---

– National Securities Depository Limited (NSDL)	INE 825 A01012
– Central Depository Services (India) Limited (CDSL)	

The Company has joined both with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The shareholders may operate through any of the Depositories, based on tariffs, quality and range of services being offered by them.

**Shares in Demat/Physical Form:**  
**(As on 31.03.2000)**


	Percentage
Demat	21.68
Physical	78.32
<b>Total</b>	<b>100.00</b>

**V. Shareholding Pattern (As on 31.03.2000) :****Category-wise Shareholding Pattern:**

Category	Percentage
Promoters/Bodies Corporate controlled by promoters/Associated Companies	59.75
Financial Institutions/Banks/Mutual Funds	23.67
Foreign Institutional Investors/Non-Resident Indians	0.12
Other Bodies Corporate	3.53
Others	12.93
<b>Total</b>	<b>100.00</b>

**VI. Nomination:**

The Companies Amendment Act, 1999 has introduced the concept of Nomination of Shares. The shareholders desirous of nominating any person as their Nominee may send a duly filled Nomination Form to the Company. A copy of Nomination Form is enclosed with the Annual Report.



Vardhmān

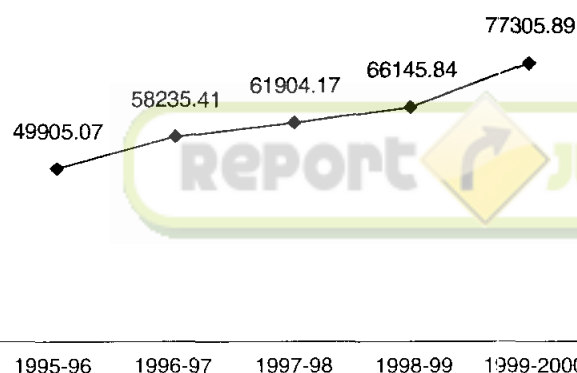
Mahavir Spinning Mills Ltd.

## Financial Highlights for Five Years

(Rs. in lac)

Parameters	1999-2000	1998-99	1997-98	1996-97	1995-96
Gross Sales	77305.89	66145.84	61904.17	58235.41	49905.07
Exports	26669.08	20855.26	16304.75	16603.57	12858.84
Net Profits	5738.65	4970.80	5400.95	3744.92	2024.80
Cash Accruals (PBT+DEP)	10387.71	8894.26	8904.18	6882.24	4214.67
Gross Block (FA+CWIP)	51113.16	46213.04	39278.96	36627.02	31312.12
Net Block (NA+CWIP)	31776.40	29987.82	25920.22	25833.85	22937.50
Share Capital (Amount paid-up)	2573.68	2573.68	2573.67	3023.66	2973.66
Net Worth	40174.89	35641.32	31747.72	27969.26	25182.81
Capital Employed	78535.16	69243.65	65585.48	60201.76	52530.40
Debt Equity Ratio	0.63:1	0.69:1	0.87:1	0.86:1	0.80:1
Current Ratio	2.06:1	2.07:1	2.55:1	1.90:1	1.74:1

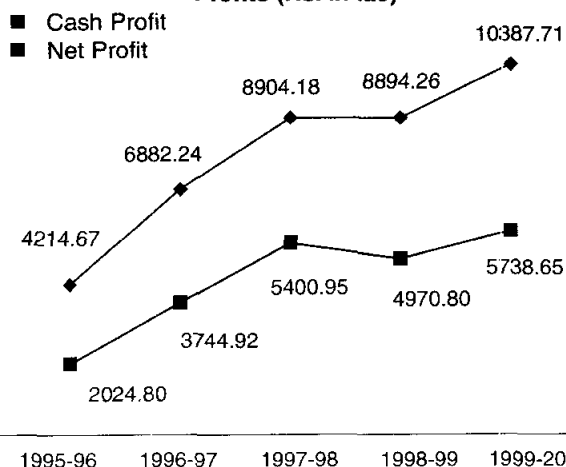
Turnover (Rs. in lac)



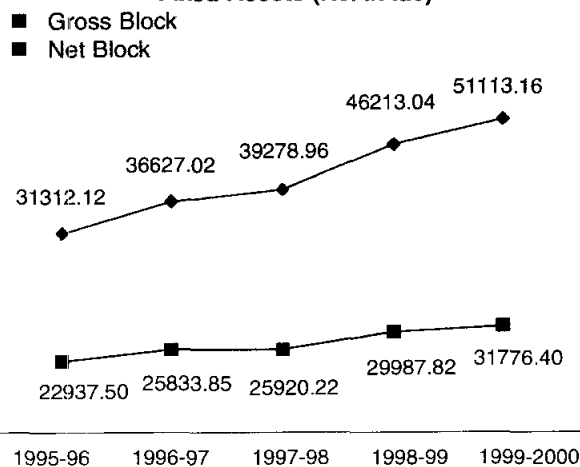
Exports (Rs. in lac)



Profits (Rs. in lac)

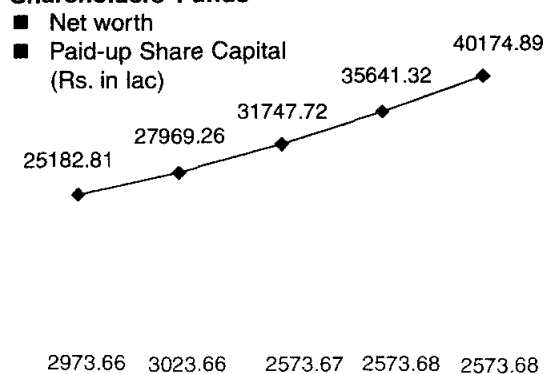


Fixed Assets (Rs. in lac)

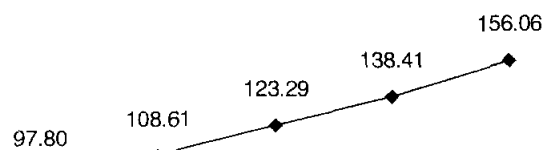




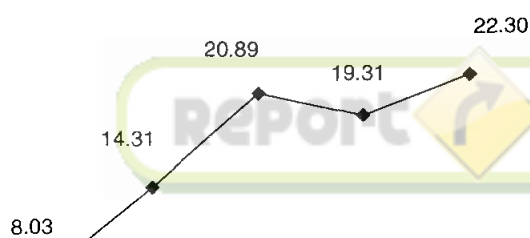
## Mahavir Spinning Mills Ltd.

**Shareholders' Funds**

1995-96 1996-97 1997-98 1998-99 1999-2000

**Book Value per Share (Rs.)**

1995-96 1996-97 1997-98 1998-99 1999-2000

**Earnings per Share (Rs.)**

1995-96 1996-97 1997-98 1998-99 1999-2000

**Dividend per Share (Rs.)**

1995-96 1996-97 1997-98 1998-99 1999-2000

**Equity Shares Data for Five Years**

	1999-2000	1998-99	1997-98	1996-97	1995-96
Book Value per Share (Rs.)	156.06	138.41	123.29	108.61	97.80
Earnings per Share (Rs.)	22.30	19.31	20.89	14.31	8.03
Cash Earnings per Share (Rs.)	40.36	34.56	34.60	22.76	14.17
Dividend per Share (Rs.)	4.20	4.00	4.00	3.20	3.00
Price to Earnings (P/E)	2.24	2.10	2.37	5.03	15.19
Price to Cash Earnings	1.24	1.17	1.43	3.16	8.61
Price to Book Value	0.32	0.29	0.40	0.66	1.25



## Mahavir Spinning Mills Ltd.

### BOARD OF DIRECTORS:

SHRI SHRI PAUL OSWAL — Executive Chairman  
 SHRI RAVINDERA JANARDAN BEDEKAR — (Nominee of IDBI)  
 SHRI PRAKASH CHAND GUPTA — (Nominee of UTI)  
 SHRI SANDEEP BAKHSI — (Nominee of ICICI)  
 SHRI ROMESH C. BARAR  
 DR. JAGDISH CHANDER BAKSHI  
 SHRI PRAFUL ANUBHAI  
 DR. TRILOKI NATH KAPOOR  
 SHRI SACHIT JAIN  
 SHRI DARSHAN LAL SHARMA — President & Executive Director

### COMPANY SECRETARY:

SHRI VIPIN GUPTA

### BANKERS :

STATE BANK OF PATIALA  
 PUNJAB NATIONAL BANK  
 UNION BANK OF INDIA  
 STATE BANK OF INDIA  
 BANK OF AMERICA  
 BANK OF BARODA  
 ALLAHABAD BANK  
 DEUTSCHE BANK  
 BANQUE NATIONALE DE PARIS  
 CANARA BANK

### REGISTERED & CORPORATE OFFICE:

CHANDIGARH ROAD, LUDHIANA-141 010.  
 Phones : (0161) 662543-547  
 Cable : Vardhman  
 Fax : (0161) 667008, 662542, 664541  
 E-mail: secretarial.lud@vardhman.com

### WORKS:

**MAHAVIR SPINNING MILLS LIMITED**  
 PHAGWARA ROAD, HOSHIARPUR-146 001.

**ARIHANT SPINNING MILLS**  
 INDUSTRIAL AREA, MALERKOTLA-148 023.

**ANANT SPINNING MILLS**  
 NEW INDUSTRIAL AREA, MANDIDEEP-462 046.

**VARDHMAN SPECIAL STEELS**  
 C-58, FOCAL POINT, LUDHIANA-141 010.

**VARDHMAN SPECIAL STEELS**  
 PLOT NO. 263-64, SECTOR-24, FARIDABAD-121 005

### AUDITORS:

M/s S.C. VASUDEVA & CO., NEW DELHI.

### BRANCH AUDITORS:

M/s S.S. KOTIARI & CO., NEW DELHI.

### SUBSIDIARIES:

**VARDHMAN ACRYLICS LIMITED**  
 CHANDIGARH ROAD, LUDHIANA-141 010.

**VMT SPINNING COMPANY LIMITED**  
 S.C.O. - 1,2,3 SECTOR - 17-B, CHANDIGARH-160 017

**VKM COLOURSPIN LIMITED**  
 CHANDIGARH ROAD, LUDHIANA-141 010.





Vardhman

Mahavir Spinning Mills Ltd.

**BRANCHES:**

30 & 33, SHRI KRISHNA CENTRE,  
1ST FLOOR, MITHAKHAHSIX ROAD,  
NAVRANG PURA,  
AHMEDABAD-380 009

2 & 2/1, A.N.M. TOWERS,  
HOSUR ROAD,  
BANGALORE-560 027.

48, KFC BUILDING,  
CHURCH STREET,  
BANGALORE.

P-22, 3RD FLOOR, FLAT NO. 6  
C.I.T. ROAD,  
CALCUTTA-700 014.

55, CANAL ROAD  
BELLGHATIA  
CALCUTTA-700 085.

S.C.O.1,2 & 3, SECTOR-17B,  
CHANDIGARH-160 017.

11, C.P. MUDALI STREET,  
PUDUPET, MOUNT ROAD,  
CHENNAI-600 002.

36/2303, D & K, AMMANKOVIL ROAD,  
ERNAKULAM COCHIN-682 035

3-6-270/2, HIMAYAT NAGAR,  
OPP. TEJUGUJAC ACADEMY,  
HYDERABAD-580 029.

PIPIYA RAO, PLOT NO.23,  
MANGAL NAGAR, A.B. ROAD,  
INDORE-452 001.

B-23, DEEPTI HOUSE,  
GOVIND MARG, ADARSH NAGAR,  
JAIPUR-302 004.

15/200 C, CIVIL LINES,  
KANPUR-208 001.

CHANDIGARH ROAD,  
LUDHIANA-141 010.

314, SOLARIS-II, OPP. L&T GATE NO. 6,  
SAKI VIHAR ROAD, ANDHERI (EAST),  
MUMBAI-400 012

SOLARIS-II, UNIVERSAL INDUSTRIAL ESTATE,  
GATE NUMBER G-7 TO G-14 & B-12 TO B-14  
SAKI VIHAR ROAD, ANDHERI (EAST),  
MUMBAI-400 072

64A, NARIMAN BOWMAN  
227, BACKBAY RECREATION,  
NARIMAN, POINT,  
MUMBAI-400 021

4/6, DESEBANDHU GUPTA ROAD  
1ST FLOOR, GROVER BUILDING,  
PALAY GANI  
NEW DELHI-110 003

B-71 1ST FLOOR,  
GRIHA INDUSTRIAL AREA, PHASE-I,  
NEW DELHI-110 020

212, DEEN DAYA UPADHYAYA MARG,  
URDU GHAR 1ST FLOOR,  
NEW DELHI-110 012

5TH FLOOR, PLOT NO. 19  
SAGAR PLAZA BUILDING,  
LAXMI NAGAR, DISTRICT CENTRE  
NEW DELHI-110 001.

207, SURYA KIRAN BUILDING,  
DE KASTURBA CANCER HOSPITAL,  
NEW DELHI-110 047

B-21, SECTOR-9  
NOIDA-201 301.

MIZZANINE FLOOR, ABHISHEK PLAZA,  
EXHIBITION ROAD  
PATNA-800 006

REALITY WARE HOUSE,  
GATE NO. 33, C/AVACHOLE,  
PUNE-411 014

172, SAKI COMPLEX,  
KAMRAI ROAD,  
BIRUPUR-638 604.

177-B, MUTHUSWAMY & BROS.,  
INDUSTRIAL COMPLEX, PALLADAM ROAD  
BIRUPUR-638 604

## Mahavir Spinning Mills Ltd.

## CONTENTS

Notice	4-8
Directors' Report	9-15
Auditors' Report	16-17
Balance Sheet	18-18
Profit & Loss Account	19-19
Schedules to Accounts	20-36
Cash Flow Statement	37-37
Statement u/s 212 of the Companies Act, 1956	38-38

## SUBSIDIARIES

## Vardhman Acrylics Ltd.:

— Directors' Report	39-41
— Auditors' Report	42-43
— Balance Sheet, Profit & Loss Account and Schedules thereto	44-53

## VMT Spinning Company Ltd.:

— Directors' Report	54-55
— Auditors' Report	56-57
— Balance Sheet, Profit & Loss Account and Schedules thereto	58-67

## VKM Colourspin Ltd.:

— Directors' Report	68-68
— Auditors' Report	69-69
— Balance Sheet and Schedules thereto	70-72