

*27<sup>th</sup>*  
*Annual Report*  
*2001-2002*

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**Birla TransAsia Carpets Ltd.**  
**AN ISO 9002 COMPANY**

**BIRLA TRANSASIA CARPETS LTD.****BOARD OF DIRECTORS**

Mr. S.L. Khunteta	Director
Mr. Arun Singhi	Director
Mr. P. P. Saraogi	Director

**BANKERS**

The Bank of Rajasthan Ltd.  
Punjab National Bank

**AUDITORS**

Vinod Kumar & Associates  
Chartered Accountants,  
New Delhi - 110 019

**REGISTERED OFFICE & WORKS**

Plot No. 3 & 4, Industrial Area,  
Sikandrabad - 203 205  
Distt. Bulandshahar (U.P.)

**HEAD OFFICE**

257, Okhla Industrial Estate  
Phase-III, New Delhi-110 020

**STOCK EXCHANGES**

1. The Delhi Stock Exchange Association Ltd.  
3/1, Asaf Ali Road, Near Turkman Gate,  
New Delhi - 110 002
2. The Stock Exchange, Mumbai  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai-400 001

(Listing fees for the above Stock Exchanges  
has been paid till 31.03.2002)

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**BIRLA TRANSASIA CARPETS LTD.****NOTICE TO MEMBERS**

Notice is hereby given that the Twenty Seventh Annual General Meeting of the Members of BIRLA TRANSASIA CARPETS LIMITED will be held on Monday, the 30th September, 2002 at 10.30 A.M. at Plot No. 3&4, Industrial Area, Sikandrabad, Distt. Bulandshahar (Uttar Pradesh) to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2002 and the Profit & Loss Account for the year ended on that date and the Report of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. S.L. Khunteta, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company to hold office from the conclusion of this meeting to the conclusion of the next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS**

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to section 314 (1) of the Companies Act, 1956 consent of members be and is hereby accorded to hold an office of profit by Mr. P.P. Saraogi, Director of the Company as Vice President (Commercial) on the terms and conditions, as per draft placed before the meeting and in filled by the Chairman for the purpose of identification."

FURTHER RESOLVED THAT Form No. 23 be filed with registrar of Companies as per section 192 of the Companies Act, 1956.

By order of the Board

**F BIRLA TRANSASIA CARPETS LIMITED**

Place: New Delhi S.L. Khunteta P.P. Saraogi  
Dated: 16th August, 2002 Director Director

**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND ON POLL TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED AND IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED TO THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE ANNUAL GENERAL MEETING.
2. The relevant Explanatory Statement pursuant to Section 173(2) of Companies Act, 1956, in respect of item No. 4 of the notice set out above is annexed herewith and papers/documents referred to therewith are open for inspection at the Registered Office of the Company between 10.30 A.M. to 4.00 P.M. on any working day prior to the date of meeting.
3. The Share Transfer Books and Register of Members of the Company will remain closed from Thursday, the 26th September, 2002 to Monday, the 30th September, 2002 (both days inclusive).
4. The Members/Proxies are requested to produce at the entrance, the attached admission slip duly completed and signed for admission to the meeting hall.
5. Members are requested to intimate the Company queries, if any, regarding accounts at least ten days before the Annual General Meeting to enable the Management to keep the information ready at the Meeting.

**ANNEXURE TO THE NOTICE****(EXPLANATORY STATEMENTS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956)****ITEM NO. 4 :**

Mr. P.P. Saraogi, Director of the Company is also holding an office of profit as a Vice President (Commercial) of the Company drawing a gross monthly remuneration of Rs. 19500/-. His holding of an office of profit will require approval of the members of the Company by the special resolution. None of the Directors except Mr. P.P. Saraogi is concerned with or interested in the resolution.

By order of the Board

**For BIRLA TRANSASIA CARPETS LIMITED**

Place: New Delhi S.L. Khunteta P.P. Saraogi  
Dated: 16th August, 2002 Director Director

**BIRLA TRANSASIA CARPETS LTD.****DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting the 27th Annual Report on the operations of the Company together with the Audited Statement of Accounts for the financial year ended on March 31, 2002.

**FINANCIAL RESULTS**

	For the year ended 31.03.2002	(Rs. in lacs) For the period ended 31.03.2001 (18 months)
Net Sales/Income from Operations*	535.78	1477.92
Other Income	128.58	150.83
Total Expenditure	635.28	1584.85
Profit/(Loss) before interest & depreciation	29.08	43.90
Interest	132.08	175.57
Profit/(Loss) before depreciation	(103.00)	(131.67)
Depreciation	58.67	87.18
Net Profit/(Loss) before Tax	(161.67)	(218.85)
Provision for Taxation	-	-
Net Profit/(Loss) after Tax	(161.67)	(218.85)
Debenture Redemption Reserve Transferred	-	18.65
Surplus/(Deficit) brought forward from previous year	(1615.79)	(1415.59)
Surplus/(Deficit) carried to Balance Sheet	(1777.46)	(1615.79)

\*Inclusive of Increase/(Decrease) in Finished Goods, Process & Waste Stock.

**OPERATIONS**

The sale stood at Rs. 535.78 lacs during the year ended on 31.03.2002 as against Rs. 1477.92 lacs during the previous period of 18 months. The Company has incurred a loss of Rs. 161.67 lacs during the year as against loss of Rs. 218.85 lacs during the period of 18 months in the year 1999-01.

During the period under review, the Company has produced 92937 sqm of carpets and 125047 kgs. of yarn (121333 kgs. for Captive Consumption) respectively and sold 80022 sqm of carpets and 3714 kgs. of yarn.

During the year your Company has introduced 'RENAISSANCE' brand of 100% Synthetic Cut Pile Carpets, a further step in adding availability of wide range of varieties of Company products.

**FUTURE PROSPECTS**

Outlook for the current year appears to be encouraging, as your Company has made determined efforts to tap the unexplored areas in the domestic as well as export markets through widely appointed dealers network, participating in exhibitions and fairs at home & abroad. Your Company is making identical showrooms at dealers' end where Company's products will be widely displayed. Display of Ax-minster and Plain Area Rugs at showrooms will improve demand in days to come.

The good quality yarn produced by your Company is also started lifting by domestic consumers and exports is also picking up.

The recession till now seen in the industry due to various reasons has started improving and market is recovering from the shadow of terrorist attack on World Trade Centre in America and normalization of tense situation at Borders. Hospitality Industry expects improved occupancy. The decisions for laying carpets deferred at many big hotels and projects, will replace the carpets in coming period.

**REHABILITATION**

As informed earlier, the Company has been declared "Sick Industrial Company" as defined under Section 3 (1) (o) of the Sick Industrial Companies (Special Provisions) Act, 1985 and Punjab National Bank, New Delhi was appointed as an Operating Agency to work out a Rehabilitation Scheme for the Company. OA has already submitted the Draft Rehabilitation Scheme to the Board for Industrial & Financial Reconstruction for its consideration and approval.

**DIVIDEND**

As the company has suffered loss during the period under review, your Directors are not in the position to recommend any dividend for the period under report.

**DIRECTORS**

Mr. S. L. Khunteta, Director of the Company retires by rotation and being eligible, offers himself for re-appointment.

**PUBLIC DEPOSITS**

The Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 and the rules made thereunder.

**AUDITORS**

M/S Vinod Kumar & Associates, Chartered Accountants, Statutory Auditors of the Company hold office till the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. The observations of the Auditors in their Report and Annexure thereto are self-explanatory and/or are suitably explained in the Notes to the accounts.

**BIRLA TRANSASIA CARPETS LTD.****INDUSTRIAL RELATIONS**

The Company enjoyed harmonious relations with employees through out the year.

**CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.****a. Conservation of Energy**

The operation involves low level of energy consumption. Wherever possible energy conservation measures have already been implemented. However, efforts to conserve and optimize the use of energy through improved methods and other measures will further continue.

**b. Absorption of Technology**

The Technology has been fully absorbed by the Company.

**c. Foreign Exchange Earnings & Outgoings**

During the year under review, details of Foreign Exchange earnings and outgo are as follows:

Foreign Exchange Earnings (In Indian Rupees)	: Rs. 2.34 Lacs
Foreign Exchange Outgo (In Indian Rupees)	: Rs. 28.34 Lacs

**CORPORATE GOVERNANCE**

As required under clause 49 of the listing Agreement entered into with the Stock Exchanges, Corporate Governance becomes applicable to the Company from the financial year 2002-03. Your Company is taking adequate steps to implement Corporate Governance in the management of the Company.

**PARTICULARS OF EMPLOYEE'S**

None of the employees is in receipt of remuneration for the year, which in aggregate was more than the limit prescribed under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- that in the preparation of the annual accounts for the financial year ended 31st March, 2002, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that 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 loss of the Company for that period;
- that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the asset of the Company and for preventing and detecting fraud and other irregularities;
- that the Directors had prepared the annual accounts for the financial year ended 31st March, 2002 on a going concern basis.

**ACKNOWLEDGEMENT**

Your Directors acknowledge with gratitude the continuing co-operation and assistance rendered by the Central Government, State Government, Financial Institutions, Banks, Suppliers and other organizations in the working of the Company.

The Directors also wish to place on record their deep sense of appreciation for the dedicated services rendered by the officers, staff and workmen of the Company.

The Board takes this opportunity to express its deep gratitude for the continuous support received from the shareholders.

For and on behalf of Board of Directors

Place : New Delhi  
Dated : 16th August, 2002

**S.L. Khunteta**  
Director

**P.P. Saraogi**  
Director