



## *Kakatiya Textiles Limited*



**18th ANNUAL REPORT**  
1999-2000



**Front Page Caption :**  
A View of Lord Venkateswara Temple in Factory premises

***Kakatiya Textiles Limited***



**BOARD OF DIRECTORS**

Sri.J.S.Krishna Murthy	Executive Chairman
Sri. Garapati Venkateswara Rao	Director
Sri. C.K.Rao	Director
Sri. S.S.R.Koteswara Rao	Director
Sri. J.S.Rao	Director
Sri. J.V.Choudary	Managing Director

General Manager (Fin) & Company Secretary  
Sri. G. Narender

General Manager (Works)  
M. Narsimha Rao

**REGISTERED OFFICE & MILLS**

Post Box No.002, Nallabandagudem-508 206  
Kodad Mandal, Nalgonda District

**CORPORATE OFFICE**

6-3-1090/C/1/A/101, 'Lovely Mansion', Raj Bhavan Road  
Somajiguda, Hyderabad 500 082

**SHARE TRANSFER AGENTS**

M/s IKON VISIONS (P) LTD  
Flat No.33, Sanali Heavens, 8-3-948  
Ameerpet, Hyderabad 500 073, Andhra Pradesh

**AUDITORS**

M/s G.P. ASSOCIATES  
Chartered Accountants  
105, Divya Shakti Complex, Ameerpet,  
Hyderabad 500 016, Andhra Pradesh

**BANKERS**

ANDHRA BANK  
Sultan Bazar Branch, Hyderabad.

STATE BANK OF INDIA  
Saifabad Branch, Hyderabad.

**18TH ANNUAL GENERAL MEETING**

Date : 31st August, 2000. Day : Thursday  
Time : 12.00 noon Venue : Registered Office

**Kakatiya Textiles Limited****NOTICE**

NOTICE is hereby given that the 18<sup>th</sup> Annual General Meeting of Shareholders of the Company will be held on Thursday, 31<sup>st</sup> August, 2000 at 12.00 Noon at the Registered Office of the Company at Nallabandagudem-508206, Kodad Mandal, Nalgonda District, Andhra Pradesh to transact the following business:

1. To consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2000, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Garapati Venkateswara Rao, who retires by rotation and, being eligible, offers himself for re-appointment.

3. To appoint a Director in place of Shri J.S. Rao, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint M/s G.P. Associates, Chartered Accountants, as Auditors of the Company, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By order of the Board

Place : Hyderabad

Date : 31<sup>st</sup> May, 2000

**G.NARENDER**

General Manager (Fin) &  
Company Secretary

**NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORMS TO BE VALID, SHALL BE LODGED WITH THE COMPANY'S CORPORATE OFFICE AT 6-3-1090/C/1/101, RAJ BHAVAN ROAD, SOMAJIGUDA, HYDERABAD NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 25.07.2000 to 27.07.2000 (both days inclusive):

3. Members are requested to intimate any change in their address quoting their Registered Folio Number.
4. Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting.

Shareholders are requested to kindly bring their copies of Annual Report to the Meeting and are also requested to send their queries, if any, on the Accounts to the corporate office.

**Kakatiya Textiles Limited****DIRECTORS' REPORT**

Dear Members,

Your Directors' have pleasure in submitting their 18<sup>th</sup> Annual Report for the year 99-2000 together with the Balance Sheet as at 31<sup>st</sup> March, 2000 and the Profit & Loss Account for the year ended on that date.

**1. FINANCIAL RESULTS:**

	<b>Rs. In Lakhs</b>	
	<b>99-2000</b>	<b>1998-99</b>
1. Sales	1850.55	1186.21
2. Other Income	9.12	4.80
3. Total Expenditure	1650.94	1273.45
4. Gross Profit/(Loss) before Depreciation and Interest	208.73	(82.45)
5. Depreciation	56.07	54.51
6. Interest	59.15	210.97
7. Provision for Tax	—	—
8. Net Profit/ (Loss)	93.51	(347.93)

**2. PERFORMANCE:**

The performance of the Company for the year under review was encouraging. The Company has achieved a turnover of Rs. 1850.55 lacs and earned a Net Profit of Rs. 93.51 lacs, as compared to the turnover of Rs. 1186.21 lacs and loss of Rs. 347.93 lacs for the year 98-1999. During the year under review, the cotton prices have come down considerably and the yarn prices are stable. The performance indicates that the Company has come out of the problems faced earlier like, working capital shortage, purchase of cotton at high prices, etc.

**3. FUTURE PROSPECTS:**

The future prospects of the Textile Industry appear to be good. There has been considerable fall in the cotton prices in India as well as in the International market. It is most likely that the lower cotton prices will continue to be study even during the current year and the yarn market is encouraging. The Company is keen to undertake exports and also keep the Dye-House in full operation. Your Directors are confident that the Company will perform much better in the current year.

**4. DIVIDEND :**

Your Directors express their inability for recommending dividend for the year 99-2000 due to brought forward losses.

**5. ISSUE OF PREFERENCE SHARES :**

The Members of the Company at their Extra-Ordinary General Meeting held on 21<sup>st</sup> January, 2000 had approved the issue of 5,00,000, 9% Cumulative Redeemable Preference Shares of Rs. 100/- each aggregating to Rs. 500 lacs, to M/s Hyderabad Bottling Company Limited. Accordingly, the Board of Directors of the Company have allotted to Hyderabad Bottling Company Limited the said 5,00,000 Preference Shares at their meeting held on 31<sup>st</sup> January, 2000. In view of the above, the paid-up Capital of the Company has gone-up from Rs. 578.45 lacs to Rs. 1078.45 lacs.

**6. POSITIVE NET WORTH :**

Members are aware that the Company became potentially sick on account of erosion of Net Worth by more than 50% due to accumulated losses. As on 31<sup>st</sup> March, 1999 the Net Worth of the Company was Rs. 630.91 lacs and the accumulated losses were Rs. 551.77 Lakhs. Consequent upon the issue of 5,00,000, 9% Cumulative Redeemable Preference shares of Rs. 100/- each aggregating to Rs. 500 lacs, the net worth has gone upto Rs. 1130.91 lacs and the accumulated losses were reduced to Rs. 453.51 lacs (due to profit for the year 99-2000). In view of the above, the Net worth of the Company has become positive and the Company falls outside the purview of BIFR. Representation to this effect was submitted to BIFR.

**7. DIRECTORS :**

Sri Garapati Venkateswara Rao and Sri. J.S.Rao, retire by rotation and, being eligible, offer themselves for reappointment.

**8. Y2K COMPLIANCE :**

The Company has taken all necessary steps to over-come the Y2K problem and there is no problem whatsoever on account of Y2K with the systems.

**Kakatiya Textiles Limited****9. CORPORATE GOVERNANCE :**

Your Directors would like to take necessary steps to in-corporate Corporate Governance system in the Company in line with the terms of Listing Agreement.

**10. AUDITORS :**

M/s G.P.Associates, Chartered Accountants, Hyderabad, the present Auditors, retire at the ensuing Annual Meeting, and are eligible for re-appointment.

**11. PERSONNEL :**

Employee relations remained cordial during the year under review. Your Directors place on record their sincere appreciation of the contribution made by the employees of the Company at all levels. As regards, information pursuant to Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 (as amended), there are no employees governed by the said provisions.

**12. ADDITIONAL INFORMATION :**

Information pursuant to Section 217(1) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed herewith.

**13. ACKNOWLEDGMENTS :**

Your Directors have pleasure in recording their appreciation for the assistance extended to the Company by A.P.S.F.C., Andhra Bank & State Bank of India.

On behalf of the Board

Place : Hyderabad

Date : 31<sup>st</sup> May, 2000

**J.S. KRISHNA MURTHY**

Executive Chairman

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