

MD	✓		BKC	✓
CS	✓		DPY	✓
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓		SHI	✓
YE	✓			✓

14th
Annual Report
1998

Report  Junction.com



Nakoda Textile Industries Limited





NAKODA TEXTILE INDUSTRIES LIMITED

Board of Directors

- | | |
|-----------------------|-------------------------|
| (1) Mr. G. P. Shah | Chairman |
| (2) Mr. B. G. Jain | Managing Director |
| (3) Mrs. P. B. Jain | |
| (4) Mr. S. M. Thakkar | |
| (5) Dr. T. D. Patel | |
| (6) Mr. V. Mahalingam | Nominee Director (GILC) |

Company Secretary

Mrs. Rashmi Bhatt

Auditors

N.M. Singapuri & Co.
Chartered Accountants,
O, 18 Kanaknidhi Apartment,
opp. Gandhi Smriti, Nanpura,
Surat.

Bankers

Canara Bank,
K.M. Road,
Surat.

Regd. Office

11, Govt. Industrial Estate,
Masat, Silvassa (D. & N.H.)

Works Texturising Plants.

(1) 11, Govt. Industrial Estate,
Masat, Silvassa (D. & N.H.)

(2) Block No. 1 & 12.
Village - Karanj,
Taluka - Mandvi,
Dist. - Surat.

(3) POY Division

Block No. 13 to 16
Village - Karanj,
Taluka - Mandvi,
Dist. - Surat.

Administrative Office

738, Ajanta Shopping Centre,
Ring Road, Surat-395003.

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NOTICE

NOTICE is hereby given that the 14th Annual General Meeting of the Members of

NAKODA TEXTILE INDUSTRIES LIMITED will be held on Wednesday, the 30th June, 1999 at 11.30 A.M. at the Company's Registered Office at 11, Govt. Industrial Estate, Masat, Silvassa.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Accounts for the year ended 31st December, 1998 together with the reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri S. M. Thakkar who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

By Order of the Board

RASHMI BHATT

Place : Surat.

Date : 30.04.99

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE THEREAT AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE ANNUAL GENERAL MEETING.
2. Members/Proxies should bring the Attendance slip duly filled in for attending the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 20th June, 1999 to 30th June, 1999 (both days inclusive).
5. Members are requested :
 - a) to bring their copies of Annual Reports and Attendance slip at the time of the meeting.
 - b) to quote their Folio No.(s) in all correspondence.
 - c) to forward their queries, if any, so as to reach the Registered Office of the Company on or before 23rd June, 1999 enabling the management to keep the information ready.
6. Members are requested to notify any change in their address immediately to the Company's Administrative Office at 738, Ajanta Shopping Centre, Ring Road, Surat-395003.

By Order of the Board

Place : Surat.

Date : 30.04.99

RASHMI BHATT

Company Secretary



DIRECTORS' REPORT

To,
The Members,
Your Directors have pleasure in presenting their 14th Annual Report together with Audited Accounts for the year ended 31st December, 1998.

FINANCIAL RESULTS

For the year ended on	31.12.98 (Rs.In Lacs)	31.12.97 (Rs.In Lacs)
Turnover & Other Income	4403.73	4016.98
Gross Profit (before financial charges & depreciation)	511.16	691.91
Interest & Financial Charges	298.34	349.31
Profit before Depreciation (Cash Profit)	212.82	342.60
Depreciation	159.95	95.91
Profit for the year	52.87	246.69

OPERATIONS

The Company has achieved turnover of Rs. 4403.73 lacs against Rs. 4016.98 lacs for the previous year showing growth of 9.62% inspite of tough market condition. The unusual long spell of recession in synthetic textile industry coupled with currency crisis of South East Asian block and over capacity in the industry has adversely affected performance of the company, more particularly because of the 100% export oriented status. The unremunerative prices of texturised yarn and draw twisted yarn prevailing in the market had bearing on capacity utilisation and operative results of your company also. The sales of POY has achieved significant growth of 197% over previous year. The company has cleared slow moving inventory and irrecoverable debts as a measure of consolidation, improvement in product portfolio and to achieve progressive trend. The loss resulting therefrom is charged as prior period adjustment.

EXPANSION AND FUTURE OUTLOOK

The implementation of 2nd phase of POY project is completed during the year. The company is in process of enhancing installed capacity to 12500 MTPA by installation of balancing equipments, increasing productivity, introducing cost control and developing capabilities of human resources. The company has obtained permission from competent authority to deal in domestic market from January 1999 to conquer fierce international competition cropped up from currency crisis of South East Asia. Remarkable improvement in recent past gives confidence and spur to look ahead with optimism to your company.

DIVIDEND

Your Directors do not recommend any dividend in order to conserve resources of your company for working capital requirements.

FINANCE

The term lending institutions have released entire sanctioned loans during the year. However working capital requirement is tied up to the extent of 80% only. The IndusInd Bank Ltd., which has sanctioned Rs. 325.00 lacs (20%) has still not released the funds. Due to overall liquidity crunch the payments of interest and installments to financial institutions are in arrears.

To set right the arrears the company has accelerated payments in recent past and has convinced institutions for reschedulement/ rephasing.

DIRECTORS

Sh. S. M. Thakkar is retiring by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment. Sh. M. M. Singhi has resigned from the Board of the company due to his pre-occupation. The Board accepted it with sincere appreciation of the services rendered by him so far.

EMPLOYEES

There is no employee getting remuneration as prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (particulars of Employees) Rules, 1975 as amended.

STATUTORY INFORMATION

Statutory information required under the Companies (Disclosure of Particulars in the report of Board of Directors Rules, 1988) applicable to the Company and forming part of this Report are set out in Annexure to this Report.

AUDITORS

M/s. N.M.Singapuri & Co. Chartered Accountants, Surat retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. Your Directors recommend their re-appointment.

ACKNOWLEDGEMENT

Your Directors express their gratitude and sincere appreciation for the continued co-operation received from Bankers and Financial Institutions throughout the year and for the utmost faith reposed by the Investors and Shareholders in the Company. They also place on record their sincere appreciation for the efforts put in by employees of the Company at all levels.

For and on behalf of the Board

Place : Surat.
Date : 30.04.99

G.P.SHAH
CHAIRMAN



ANNEXURE TO THE DIRECTORS' REPORT

FORM A

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	AS AT 31.12.98	AS AT 31.12.97
A. POWER AND FUEL CONSUMPTION		
1. Electricity		
a) Purchased Units(In 000's)	849.80	2525.39
Total Amount(Rs. in Lacs)	32.66	68.60
Rate/Unit(Rs.)(Excludes Electricity duty)	3.84	2.72
b) Own Generation		
i) Through Diesel Generator Units(In 000's)	8117.35	5272.75
Unit per Ltr. of Diesel Oil	3.25	3.50
Cost/Unit(Rs.)	2.66	2.91
ii) Through Steam Turbine/Generator	0.00	0.00
2. Coal, Furnace Oil, others/internal Generation	0.00	0.00
B. CONSUMPTION PER UNIT OF PRODUCTION		
Products (POY/Texturised/Twisted Yarn)		
	KWH/KGS	KWH/KGS
POY	1.26	1.33
Texturised Yarn	1.36	1.67
Twisted Yarn	1.48	2.00

FORM-B

A. RESEARCH AND DEVELOPMENT

- Specific area in which R & D carried out by the Company.
- Benefit derived as a result of above R & D
- Future plan of action

4. Expenditure on R & D

B. Technology Absorption, Adaptation and Innovation

C. Foreign Exchange Earnings
Foreign Exchange Outgo

- Production Procees :
- Inprorement in productivityn.
- Dow them boiler and chip dryer heating system is proposed to replace by thermic fluid heating system as a cost reduction measure
- Rs. 18,50,000/= appropimotily.
- Technology acquired from equipment supplier has been absorded in full and adapted with modifications to suit local environment Innovation has been incorporated in the equipment to enhance production capacity and cost reduction.
- NIL
- Rs. 22060330

For and on behalf of the Board

Place : Surat.
Date : 30.04.99G.P.SHAH
CHAIRMAN



AUDITOR'S REPORT

To,
The Members of
NAKODA TEXTILE INDUSTRIES LTD.

We have audited the attached Balance Sheet of **NAKODA TEXTILE INDUSTRIES LIMITED** as at 31st December, 1998 and also the Profit & Loss Account of the company for the year ended on that date, both annexed hereto and report that:

- I. As required by the manufacturing and other companies(Auditor's Report) Order,1988,issued by the Company Law Board,in term of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in para graphs 4 & 5 of the said order to the extent applicable to the company.
- II.
 - a) We have obtained all the information and explanations which,to the best of our knowledge and belief, were necessary for the purpose of our audit.
 - b) In our opinion, proper books of accounts as required by law,have been kept by the company so far as appears from our examination of those books.
 - c) The Balance Sheet and Profit & Loss Account,dealt with by this report,are in agreement with the books of accounts.
 - d) In our opinion and to the best of our information and according to the explanations given to us,the accounts read together with the notes thereon given the information required by the Companies Act,1956 in the manner so required and give a true and fair view:
 - i) In the case of Balance Sheet, of the state of affairs of the company as at 31st December,1998.
 - ii) In the case of the Profit & Loss Account, of the Profit of the Company for the year ended on that date.

For N.M.SINGAPURI & CO.
CHARTERED ACCOUNTANTS

Place : Surat
Date : 30/04/1999

(N.M.SINGAPURI)
PARTNER

ANNEXURE TO THE AUDITORS REPORT

ANNEXURE REFERRED TO IN PARAGRAPH (1) OF OUR REPORT TO THE MEMBERS OF NAKODA TEXTILE INDUSTRIES LIMITED FOR THE YEAR ENDED 31st DECEMBER, 1998.

- I. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. All the assets have not been physically verified by the management during the year but there is a regular programme of verification which in our opinion is reasonable having regards to the size of the Company and the nature of its business. No, material discrepancies were noticed on such verification.