



NEPC TEXTILES LIMITED

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6th

ANNUAL REPORT 1998-99



NEPC TEXTILES LIMITED

6th Annual Report

BOARD OF DIRECTORS

Shri Ravi Prakash Khemka
(Chairman)
Shri Raj Kumar
Shri Tirupathi Kumar
Shri R. Natarajan, I.A.S. (Retd.)

COMPANY SECRETARY

Mr. N.Padmanabhan

AUDITORS

T.G. Ramanathan & Co.
Chartered Accountants
No.847, Anna Salai
Chennai - 600 002

**REGISTERED OFFICE
& FACTORY**

SF 256, Kannampalayam Village
Palladam Taluk
Coimbatore 641042

CORPORATE OFFICE

36, Wallajah Road
Chennai - 600 002
Tamilnadu

BANKERS

The Vysya Bank Ltd.

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**NEPC TEXTILES**

Registered Office: S.F.256, Kannampalayam Village, Palladam Taluk, Coimbatore - 641 042

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Sixth Annual General Meeting of the Company will be held on the Monday, the 29th day of November 1999 at 11.00 A.M. at 1678, Trichy Road, Ramanathapuram, Coimbatore-641 045 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st July 1999 and the Profit and Loss Account for the year ended on that date and Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in the place of Mr. Tirupathi Kumar who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors for the company for the period commencing from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and to fix their remuneration.

BY ORDER OF THE BOARD
for NEPC TEXTILES LIMITED

Place : Chennai.
Date : 29th October 1999

RAVI PRAKASH KHEMKA
CHAIRMAN

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote in his stead and the Proxy need not be a member of the Company. The Instrument of Proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 22nd November 1999 to 29th November 1999 (both days inclusive).
3. Members are requested to notify immediately any change in their address to the Company.
4. Members are requested to bring their copies of Annual Report to the Meeting.

**DIRECTORS' REPORT**

To the Members of the NEPC TEXTILES LIMITED.

Your Directors have pleasure in presenting the Sixth Annual Report and Audited Accounts of your Company for the financial year ended 31st July 1999.

FINANCIAL HIGHLIGHTS

Rs. in lakhs.

	Year ended 31-07-99	Year ended 31-07-98
Gross Income	1404.55	1688.77
Profit before Depreciation	(678.55)	(142.73)
Depreciation	125.05	122.01
Profit after Depreciation	(803.56)	(264.74)
Provision for taxation	—	—
Profit / (Loss) after taxation	(803.56)	(264.74)
Balance Profit / (Loss) Account B/F	(809.65)	191.15
	<u>(1613.21)</u>	<u>(73.59)</u>
Add: Transfer from Dividend Payable A/c	125.00	—
Add: B/F of balance General Reserve	—	190.00
	<u>(1488.21)</u>	<u>116.41</u>
Appropriations:		
General Reserve	—	—
Capital Work in Progress written off	—	926.06
Balance Profit carried to Balance Sheet	(1488.21)	(809.65)
	<u>(1488.21)</u>	<u>116.41</u>

OPERATING RESULTS

Your Company's activities were at lower level during the year under consideration, due to strike for 22 days and sluggish market conditions during the year. Also the Current year under review witnessed a situation of high cotton price and lower realisation of yarn. Your Company has launched productivity improvement and cost reduction programme to improve the performance in the coming year.

DIVIDEND

The Directors do not recommend Dividend for the year ending 31st July 1999, in view of loss incurred by the Company.



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Y2K COMPLIANCE

The Company is undertaking all necessary measures for year 2000 compliance in all its Computer systems.

DIRECTORS

Mr. Tirupathi Kumar, retires by rotation at this meeting and being eligible offers himself for re-appointment.

PARTICULARS OF EMPLOYEES

No employee of the Company was paid remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

The Statement pursuant Section 217(1)(e) of the Companies Act 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, is given in Annexure I and forms part of this report.

AUDITORS

M/s.T.G.Ramanathan & Co., Chartered Accountants, Auditors of the Company retire at the conclusion of the Annual General Meeting. However, they are eligible for re-appointment and have given their consent to act as the Auditor of your company, if appointed.

INDUSTRIAL RELATIONS

Your Company continues to maintain harmonious and cordial relations with its workers in all Divisions.

ACKNOWLEDGEMENT

Your Directors would like to place on record their deep appreciation and gratitude to the Company's members for the continues support and confident.

Your Directors wish to thank and deeply acknowledge the co-operation and assistance extended by the Bankers, Government authorities and other business associates. The Board would also thank the opportunity to commend the employees of the company at all levels for their contribution to the Company's growth plans.

For and on behalf of the Board
for NEPC TEXTILES LIMITED

RAVI PRAKASH KHEMKA
CHAIRMAN

Place : Chennai
Date : 29.10.1999