



**Vanasthali Textile Industries Ltd.**

## BOARD OF DIRECTORS

Shri G.L. Khemani	Chairman
Shri Rajesh Modi	Managing Director
Shri S.P. Chadha	Joint Managing Director
Shri Praveen Deva	Whole-time Director
Shri S.S. Verma	Director
Shri Sanjay Kr. Khaitan	Director
Shri Philip Lush	Director
Shri V.P. Kataria	Nominee Director (IFCI)

## FINANCIAL CONTROLLER & COMPANY SECRETARY

Sh. Yogesh Gupta

## AUDITORS

M/s P.K. Soni & Co.  
Chartered Accountants  
CC-29, Nehru Enclave  
New Delhi-110019

## BANKERS

Allahabad Bank  
Oriental Bank of Commerce  
State Bank of Bikaner & Jaipur  
Federal Bank

## WORKS & REGISTERED OFFICE

F-3-5, RIICO Industrial Complex,  
Vigyan Nagar, Shahjahanpur-301706  
District Alwar (Rajasthan)

## HEAD OFFICE & SHARE DEPARTMENT

E-67, Greater Kailash Enclave-I,  
New Delhi-110048

**NOTICE**

Notice is hereby given that the Eighth Annual General Meeting of the members of the company is to be held on Monday, the 27th day of September, 1999 at 10:00 A.M. at F-3-5, RIICO Industrial Complex, Vigyan Nagar, Shahjahanpur-301706, District Alwar (Rajasthan), the registered office of the company, to transact the following businesses as:-

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet of the company as on 31st March 1999 and the Profit and Loss account for the year ended on that date together with the reports of the Board of Directors and Auditors' thereon.
2. To appoint a director in place of Shri S.S. Verma, who retires by rotation, and being eligible offers himself for re-appointment.
3. To appoint a director in place of Shri Praveen Deva, who retires by rotation, and being eligible offers himself for re-appointment.
4. To appoint statutory auditors of the company and to fix their remuneration.

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 224(1) of the Companies Act, 1956 M/s P.K. Soni & Co., Chartered Accountants, be and is hereby, reappointment as the auditors of the company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the company at a remuneration of Rs. 50,000/- p.a. and reimbursement of out of pocket expenses."

**SPECIAL BUSINESS**

5. To consider and if thought fit to pass, with or without modification(s), the following resolution as SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 31 of the Companies Act, 1956, the

Articles of Association of the company, be and are hereby altered in the manner and to the extent set out hereinbelow:

After the Article 47 of the Articles of Association of the company the following articles shall be inserted:

- 47A. (1) Every holder/joint holders of the equity shares of the company may, at any time, nominate, a person to whom his/their shares in the company shall vest in the event of his/their death, in the manner as prescribed under section 109A of the Companies Act, 1956 and the rules made thereto.
- (2) Notwithstanding anything contained in Articles 48 and 49 of the Articles of Association of the company or in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect to such shares in the company, where a nomination made in the manner prescribed in the foregoing sub article (1) purports to confer on any person the right to vest the shares in the company, the nominee shall, on the death of the shareholder or as the case may be on the death of all the joint holders, become entitled to all the rights in the shares of the company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.
- 47B. Any person who becomes a nominee by virtue of the foregoing article 47A, upon the production of such evidence(s) as may required by the Board and subject to the provisions contained in section 109B of the Companies Act, 1956, elect, either to be the registered himself as holder of the shares, or, to make such transfer of the shares as the deceased shareholder/joint holders could have made."

By Order of the Board  
**Vanasthali Textile Industries Ltd.**

**Yogesh Gupta**

Financial Controller &  
Company Secretary

Place : New Delhi  
Date : 26th August'1999

## NOTES

1. A member entitled to attend and vote at this Annual General Meeting may appoint any person as his/her proxy to attend and vote on poll at this Annual General Meeting on his/her behalf and the proxy so appointed need to be the 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 meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 21st day of September 1999 to Saturday, the 25th day of September 1999 (both days inclusive).
3. The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 with respect to the special business is annexed herewith.
4. The members are requested to bring their copy of the Annual Report to the meeting as the additional copies would not be available at the venue of the meeting.

Act, 1956 by inserting section 109A and section 109B through the Companies Amendment Act, 1999, which enables the holder(s) of the equity shares of the company, to nominate in the prescribed manner, a person to whom his/their shares in the company shall vest in the event of his/their death.

Such nomination can be made at any time by executing Form No. 2B of the Companies (Central Government) General Rules and Forms, 1956. The form is provided at the end of this notice in the general interest of the members.

In order to bring the Articles of Association of the company in conformity of the Companies Act, 1956, two new articles i.e. article 47A and 47B has been inserted. To give effect to the same a special resolution has been sought from the members of the company.

No director of the company is concerned or interested in this resolution.

By Order of the Board  
Vanasthali Textile Industries Ltd.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

**ITEM NO. 5**

An amendment has been made to the Companies

Place : New Delhi

Date : 26th August, 1999

**Yogesh Gupta**  
Financial Controller &  
Company Secretary

**DIRECTORS' REPORT**

Dear Members,

Your directors are pleased to present the Eighth Annual Report together with the audited statements of accounts for the financial year ended 31st March, 1999.

**FINANCIAL RESULTS :**

(Rs. in lacs)

Particulars	As on 31.3.99	As on 31.3.98
Profit before Depreciation and Interest	1185.42	964.83
Less : Interest	540.42	347.56
Depreciation	473.50	281.87
Profit for the year	171.50	335.40
Add: Profit for the earlier years	734.13	398.73
Profit available for appropriation	905.63	734.13
Proposed Dividend	—	—
Transfer to General Reserve	—	—
Balance carried to Balance Sheet	905.63	734.13

**OPERATIONS**

Although the company has achieved a higher turnover of Rs. 5591.00 lacs during the financial year 1998-99 as compared to the turnover of Rs. 3457 lacs during the financial year 1997-98, which is 61.73% increase over the previous financial year. However, the net profits are Rs. 171.50 lacs for the financial year 1998-99 as compared to Rs. 335 Lacs for the Financial Year 1997-98. Low net profits are due to the sluggish conditions prevailing in Textile Industry, the overall recession in the current Indian scenario and also due to high provisions for interest and depreciation.

Company's different varieties of towels namely bath, beach, hand and face towels have been exported to the countries of Europe, United States, Australia, New Zealand, Japan, South Africa and Middle East.

Company's product has also established a niche in the domestic market and is available in almost every premium showroom under the brand name of "FEATHER TOUCH".

**DIVIDEND**

Your directors are unable to recommend any dividend for the year ended 31st March, 1999 as to conserve the financial resources for future development.

**EXPANSION**

The Company has undertaken the expansion scheme for increasing the capacity from 1140 TPA of Terry Towels to 2700 TPA of Terry Towels. The first phase of the expansion already been implemented successfully and has commenced the commercial production on 31st January, 1998 and increased the capacity to 2076 TPA. The Company had already procured and erected most of the machineries for the second phase of the expansion and had already started trial production. The company was going to commence commercial production on full capacity but unfortunately there was a fire in one of the processing plants which disrupted the entire ongoing expansion in full swing. It is expected that the production will soon commence on full capacity.

**FUTURE PROSPECTS**

With the growing demand in the developed countries and emerging new markets in the rapidly industrialising developing countries, attractive prospects have crystallised for value added finished products like sheared towels, bath robes, hand gloves etc. and significant results have also been achieved in exploring these new markets and obtaining orders on long term basis from leading department chain stores and companies in U.S.A., U.K., Middle East, etc. The products of the company enjoys a strong brand name due to better quality.

With the support of the Government as has been recently extended towards the Textile Sector and especially 100% EOUs, the Company expects to achieve improved results this year following the successfully implementation of its expansion projects.

**FIXED DEPOSITS**

During the year under review, your company has not accepted any fixed deposit within the meaning of Section 58A of the Companies Act, 1956 and the rules made thereto.

**Y2K COMPLIANCE**

Your company has taken all the necessary steps to make all its computer systems Y2K compliant. The cost involved to make such systems Y2K compliant do not have much impact on the financial position of the company.

**LISTING**

The equity shares of your company are currently being listed on five stock exchanges v.i.z. Jaipur Stock Exchange (acting as regional stock exchange), Delhi

Stock Exchange, Bombay Stock Exchange, Calcutta Stock Exchange and Ahmedabad Stock Exchange. The listing fee for the year 1999-2000 has been paid to all the above five stock exchanges.

#### INDUSTRIAL RELATIONS

Industrial relations continued to be cordial during the year under review.

#### DIRECTORS

During the year under review there were no changes in the structure of the Board of Directors of the company. Shri S.S. Verma and Shri Praveen Deva, Directors, who retire at this annual general meeting, being eligible offers themselves for reappointment. The Board recommends their reappointment.

#### PARTICULARS OF EMPLOYEES

None of the employees of the company were drawing emoluments more than what has been specified under section 217(2A) of the Companies Act, 1956 read with the newly amended Companies (Particulars of Employees) Rules, 1975.

#### AUDITORS

M/s P.K. Soni & Co., Chartered Accountants, CC-29, Nehru Enclave, New Delhi-110019 hold office upto the conclusion of the ensuing Annual General Meeting and being eligible and available offer themselves for reappointment.

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure & Particulars in the report of board of directors) Rules, 1988, relating to conservation of energy and technology, absorption are given by way of Annexure to this report. As regards to the information in respect of foreign exchange earnings and outgo, the same has been given in the notes to accounts forming part of the Accounts for the year ended 31st March, 1999.

#### ACKNOWLEDGEMENTS

Your Directors wish to place on record sincere gratitude to the co-operation and assistance extended by the Government authorities, Financial Institutions, Banks, Suppliers, Agents and Buyers.

Your Directors also wish to place on record their deep sense of appreciation for the sincere and dedicated services rendered by the employees of the company.

Last but not least, your directors on behalf of all the shareholders and employees of the company salute the national heroes for their unforgettable triumph at the Kargil under the "Operation Vijay".

For and on behalf of the  
Board of Directors

Place : New Delhi  
Date : 26th August, 1999

**G.L. KHEMANI**  
(CHAIRMAN)



**ANNEXURE TO THE DIRECTORS' REPORT****A. Conservation of energy :**

- (a) Energy conservation measures taken : During the year under review, extra care was taken by the Company for optimum conservation of electricity and fuel at the plant of the Company.
- (b) Additional investment and proposals for reduction of consumption of energy : Additional investment for reduction of consumption of energy is not significant and there is, however, no proposal for the time being for any other investment for reduction of consumption of energy.
- (c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods : The impact of the measures taken has been positive for the company and the company was able to reduce the cost of the energy consumption resulting into the optimum utilisation of the available resources, thereby, reducing the cost of production.
- (d) Total energy consumption and energy consumption per unit of production as per Form A :

**FORM-A****(Form for disclosure of particulars with respect to conservation of energy)****A. Power and Fuel Consumption :****1. Electricity**

## a) Purchased

Unit (kwh)

Total Amount (Rs.)

Rate/Unit (Rs.)

## b) Own Generation

i) Through Diesel Generator

Unit (kwh)

Unit/Ltr. of Diesel Oil (kwh)

Cost/Unit (Rs.)

**2. Coal**

Quantity (Tonnes)

Total Cost (Rs.)

Average Rate (Rs. Per-Tonne)

**3. Diesel (For Boiler)**

Quantity (Litres)

Total Cost (Rs.)

Average Rate (Rs. Per Litre)

**4. Furnace Oil (For Boiler)**

Quantity (Litres)

Total Cost (Rs.)

Average Rate (Rs. Per Litre)

**B. Consumption per unit of production**

Products : Terry Towels

— Electricity (KWH/Kg)

— Furnace oil (Litre/Kg)

	1998-99	1997-98
	1272234	830397
	4317534	2761201
	3.39	3.33
	6341411	4086555
	3.61	3.33
	2.13	2.29
	NIL	NIL
	NIL	NIL
	NIL	NIL
	NIL	577600
	NIL	4493728
	NIL	7.78
	2067629	840652
	10380806	4606772
	5.02	5.48
	4.94	4.77
	1.34	0.81

**FORM B****(Form for disclosure of particulars with respect to absorption)****Research and Development (R&D)**

: The Company has no specific Research & Development activities. However, the Company has well equipped quality control department to check the quality of the product manufactured.

**Technology absorption, adaptation and innovation**

## 1. Effort in brief, made towards technology

: The Company has taken regular in house efforts to improve the quality of product.

## 2. Benefits derived as a result of the above

: Better quality and quantity products are achieved.

## 3. Imported technology

: No technology has been imported except for technologically advanced equipments imported.