



9th ANNUAL REPORT 1998-99



Board of Directors

Vijay Kumar Gupta

Chairman & Managing Director

Susheel Kumar Gupta

Director

Gautam Chand Jain

Director

C Narsi Reddy

Director

Satish Kumar Gupta

Director

Company Secretary

S Nagarajan

Auditors

M/s. Laxminiwas & Jain

Chartered Accountants

5-4-726, Station Road

Nampally

Hyderabad - 500 001

Bankers

Dena Bank

M G Road

Secunderabad

Registered Office

104, Surya Towers

Sardar Patel Road

Secunderabad - 500 003

Factory

Plot No. 46, Road No. 12

(Old Kurnool Road)

A.P.I.I.C., Kattedan

Hyderabad - 500 252

9th Annual Report 1998-99

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NOTICE

NOTICE is hereby given that the Ninth Annual General Meeting of the Members of VIJAY TEXTILES LIMITED will be held on Wednesday, the 29th September, 1999 at 2.30 P.M. at the Registered Office of the Company, 104, Surya Towers, Sardar Patel Road, Secunderabad - 500 003, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 1999 and the Balance Sheet as on that date, together with the reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Shri Satish Kumar Gupta, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Shri C Narsi Reddy, who retires by rotation and being eligible offers himself for re-appointment.
4. To consider re-appointment of M/s. Laxminiwas & Jain, Chartered Accountants, as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, approval of the company be and is hereby accorded to the appointment of Shri Susheel Kumar Gupta as Executive Director of the Company for a period of 5 (five) years with effect from 1st April, 2000, subject to the terms and conditions within the ceilings as specified in Schedule XIII of the Companies Act, 1956, as may be in force from time to time and that the appointee shall not be liable to retire by rotation during the tenure of his office as above".

"FURTHER RESOLVED THAT the Board of Directors be and are hereby authorised to enter into a new agreement with Shri Susheel Kumar Gupta as per the above mentioned terms".

By Order of the Board
for Vijay Textiles Limited

S Nagarajan
Company Secretary

Place: Secunderabad
Date: 29th July, 1999

Registered Office:
104, Surya Towers
Sardar Patel Road
Secunderabad - 500 003

NOTES FOR MEMBERS ATTENTION

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER.
2. The instrument appointing a proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time for holding the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, the 23rd September, 1999 to Wednesday, the 29th September, 1999 (both days inclusive).
4. **Members holding shares in the same set of names under different ledger folios are requested to apply for consolidation of such folios along with relevant share certificates to the Registered Office of the Company.**
5. Members are requested to notify change in address, if any, immediately to the Registered Office of the Company.
6. Members are requested to bring their copies of the Annual Report to the meeting. No copies of the Annual Report will be available for distribution to the members at the place of meeting.
7. Members attending the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting place.
8. Members desirous of obtaining any information concerning the accounts/operations of the Company are requested to send their queries atleast seven days before the date of the meeting, to the Company so that information required may be made available at the meeting.

By Order of the Board
for Vijay Textiles Limited

S Nagarajan
Company Secretary

Place: Secunderabad
Date: 29th July, 1999

Registered Office:
104, Surya Towers
Sardar Patel Road
Secunderabad - 500 003

Vijay Textiles Limited

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956 IN RESPECT OF THE SPECIAL BUSINESS ITEMS

Item No. 5

Shri Susheel Kumar Gupta has been working as Director from the inception of the Company looking after the day to day operations of the Factory and also dealing with all important affairs of the Company. In all these days, the Company could not be able to appoint him as Whole-time Director in view of the conditions specified in Schedule XIII of the Companies Act, 1956.

Now the Company is able to comply the provisions contained in Schedule XIII of the Companies Act, 1956, by end of January, 2000. Considering the fact that Shri Susheel Kumar Gupta has ably administering the day to day affairs of the Company, the Board of Directors at their meeting held on 29th July, 1999 decided to appoint him as Executive Director, subject to the approval of shareholders and other applicable approvals, if any. The Board of Directors recommend that Shri Susheel Kumar Gupta be appointed as Executive Director for a period of five years with effect from 1st April, 2000, as specified in the resolution.

The abstract of the remuneration and other terms of his appointment is as under:

1. Designation

Executive Director

2. Salary

Rs.25,000/- per month

3. Perquisites/Allowances

Shri Susheel Kumar Gupta will be entitled to perquisites as listed below and would be within the overall ceilings of the provisions prescribed under Schedule XIII of the Companies Act, 1956 as amended from time to time.

3.1 Category A

a. House Rent Allowance

House Rent Allowance of Rs.15,000/- per month. Expenditure on Gas, Electricity, Water, Soft Furnishings of his house will be reimbursed to him by the Company.

b. Medical Expenses

Medical Expenses incurred for self and family will be borne by the Company subject to applicable ceilings.

c. Leave and Leave Travel

Eligible for one month leave for every eleven months serve. Expenses for travel anywhere in India on leave for Executive Director and his family, subject to a ceiling of one month salary as per applicable rules of the Company.

d. Club Fees

Monthly subscription fees of his clubs will be

reimbursed but not admission/life membership fees.

e. Insurance

Accident cover and mediclaim/hospitalisation insurance policy will be taken for self and wife, the annual premium for which will be decided by the Board of Directors.

f. Any increase in the quantum of perquisites subject to Schedule XIII of the Companies Act, will be at the discretion of the Board.

3.2 Category B

Provident Fund, Superannuation Fund, Gratuity and other Leave Encashment at the end of the tenure as per applicable rules of the Company.

3.3 Category C

Free use of car with driver for Company's business and also provision for telephone, fax and Computers at residence for use on Company's business.

4. Minimum Remuneration

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the appointment, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances as specified in Section II of part II of the Schedule XIII of the Companies Act, 1956.

5. The terms and conditions of the said appointment and/or agreements may be altered and varied from time to time by the Board of Directors, as it may, in its absolute discretion deem fit, within the maximum amount of remuneration payable in accordance with the provisions of Section 198 and 309 of the Companies Act, 1956 and Schedule XIII to the said Act, as amended from time to time.

The above terms and conditions may also be treated as abstract of the agreement in terms of Section 302 of the Companies Act, 1956.

Shri Vijay Kumar Gupta and Shri Satish Kumar Gupta are being relatives of Shri Susheel Kumar Gupta is concerned or interested in the resolution.

By Order of the Board
for Vijay Textiles Limited

S Nagarajan
Company Secretary

Place: Secunderabad

Date: 29th July, 1999

Registered Office:

104, Surya Towers

Sardar Patel Road

Secunderabad - 500 003



DIRECTORS' REPORT

To
The Members

The Board of Directors take great pleasure in presenting the 9th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 1999.

1. FINANCIAL RESULTS

	(Rs. in Lakhs)	
	1998-99	1997-98
Net Profit for the Year	9.23	78.92
Less : Provision for Income Tax	5.32	18.33
Profit after Tax	3.91	60.59
Add : Profit brought forward from last Year	0.60	0.36
Total available for Appropriations	4.51	60.95

APPROPRIATIONS

Proposed Dividend	—	28.50
Corporate Tax on Proposed Dividend	—	2.85
Transfer to General Reserve	—	29.00
Balance carried forward to next Year	4.51	0.60

2. PERFORMANCE REVIEW

The continuous recession in textile industry, uncertainty in the price of raw-materials and the adverse economic environment drastically affected the company's performance under review.

In order to overcome the discouraging market conditions, the company changed its growth strategy by placing more thrust on manufacturing of larger portion of high value added products by installing new machineries. The ultimate aim is being to increase maximum output and to maintain a healthy trend.

3. DIRECTORS

During the current year, Smt. Shashikala Gupta resigned as Director on 29.07.1999. Your Directors have placed on record their deep sense of appreciation of services rendered during her membership of the Board.

Pursuant to provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri Satish Kumar Gupta and Shri C Narsi Reddy retire by rotation at

the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

4. AUDITORS

The Auditors, M/s. Laxminiwas & Jain, Chartered Accountants, retire at the forthcoming Annual General Meeting and are eligible for re-appointment.

5. PARTICULARS REGARDING ENERGY CONSERVATION ETC.

Information regarding Energy conservation and Technology Absorption required to be disclosed under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is enclosed herewith as annexure.

6. YEAR 2000 COMPLIANCE

No risk is being involved in the operation process and functions except hardware and software in commercial, finance and accounting areas. The Company is taking necessary precautionary measures for the year 2000 complaint.

7. PARTICULARS OF EMPLOYEES

Information, required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is annexed hereto and the same forms an integral part of this Report.

8. ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation for the whole hearted co-operation received by the Company from the various Departments of the Central and State Governments and the Company's Bankers.

Your Directors also express their gratitude to the Shareholders and the public for the confidence reposed by them in the Company. They also thank Employees of the Company at all levels for their unstinted co-operation.

For and on behalf of the Board

Place: Secunderabad

Vijay Kumar Gupta

Date : 29th July, 1999

Chairman & Managing Director

Vijay Textiles Limited

ANNEXURE TO DIRECTORS' REPORT

FORM A
[Forming part of Annexure (1)]

Disclosure of Particulars with respect to conservation of Energy:

1. Energy Conservation:

A. Power & Fuel Consumption:

31.03.99 31.03.98

1. Electricity

a) Purchased

Units

15,80,552 14,96,331

Total Amount (Rs.)

64,21,054 55,34,895

Unit rate (Rs.)

4.06 3.70

b) Own Generation

i) Through Diesel Generator

Units

3,47,616 69,088

Units per ltr of

Diesel oil

2.72 2.72

Cost/Unit (Rs.)

3.96 4.03

2. Coal used in Boiler

Quantity (Tones)

2,872 3,092

Cost (Rs.)

54,14,260 65,57,464

Average Rate (Rs.)

1,885 2,121

3. Furnace Oil (HSD)

Quantity (K.Ltr.)

Nil Nil

Total Amount

Average Rate/Ltr.

4. Others/Internal generation

Quantity

Nil Nil

Total Cost

Rate/Unit

B. Consumption per unit of production

(Linear meter)

Electricity

0.33 0.30

Furnace Oil

Nil Nil

Coal (Kgs.)

0.48 0.59

Others

Nil Nil

2. Technology Absorption

: The Company has its Inhouse Design Department to continuously develop innovative designs and to select the most suitable raw fabrics for dyeing/printing/processing.

3. Foreign Exchange earnings and outgo

Earnings (Rs.)

— 18,87,333

Outgo (Rs.)

93,391 3,90,182



ANNEXURE TO DIRECTORS' REPORT

[Forming part of Annexure (2)]

Statement of particulars of employees pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended upto date.

Sl. No.	Name of the Employee	Age	Designation/ Nature of Duty	Gross Remune- ration (Rupees)	Qualification	Experi- ence in years	Date of commen- cement of employment	Particulars of last employment
A. Employed for whole year								
1.	Mr. Vijay Kumar Gupta	50	Managing Director	3,60,000	B.Com.	32	01.04.1990	Business

Note: 1. The conditions of employment are non-contractual and are governed by rules and regulations of the Company.

For and on behalf of the Board

Place: Secunderabad
Date : 29th July, 1999

Vijay Kumar Gupta
Chairman & Managing Director