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11th ANNUAL REPORT 2000-2001



Board of Directors

Vijay Kumar Gupta
Chairman & Managing Director

Susheel Kumar Gupta
Executive Director

Gautam Chand Jain
Director

C Narsi Reddy
Director

M Srikanth Reddy
Director

K Srinivas Reddy
Director

Company Secretary
S Nagarajan

Auditors
M/s. Lakshminiwas & Jain
Chartered Accountants
5-4-726, Station Road
Nampally
Hyderabad-500 001

11th Annual Report 2000-01

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-500 077

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Vijay Textiles Limited

NOTICE

NOTICE is hereby given that the Eleventh Annual General Meeting of the Members of VIJAY TEXTILES LIMITED will be held on Thursday, the 30th August 2001 at 2.30 PM at Hotel Viceroy, Tankbund Road, Hyderabad-500 080 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March 2001 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 C Narsi Reddy, who retires by rotation and being eligible offer himself for re-appointment.
3. To consider re-appointment of M/s. Lakshminiwas & 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 authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT Shri M Srikanth Reddy, who was appointed as an Additional Director of the Company by the Board of Directors on 13th November 2000, ceases to hold office at this meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member pursuant to Section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation".

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

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293 (1)(d) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the Company to raise or borrow from time to time from the Company's Bankers or Financial Institutions or from elsewhere on such terms and conditions as to repayment or interest or otherwise as it thinks fit such sums as may be necessary for the purpose of the Company's business in excess of the paid-up capital and free reserves of the Company, that is to say the reserves not set apart for any specific purpose, provided however, that the total amount of such borrowings together with the monies already borrowed (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business)

in aggregate shall not exceed at any time a sum of Rs. 35,00,00,000/- (Rupees Thirty Five Crores Only)".

By Order of the Board
For **Vijay Textiles Limited**

Place: Secunderabad
Date : 29th June, 2001

S Nagarajan
Company Secretary

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 Member and Share Transfer Books of the Company will remain closed from Friday, the 24th August 2001 to Thursday, the 30th August 2001 (both days inclusive).
4. Members holding shares in the same set of names under different ledger folios are request to apply for consolidation of such folios along with relevant share certificates to the Registered Office of the Company.
5. Members are request to notify change in address, if any, immediately to the Registered Office of the Company.
6. Members are requested to bring their copy of the Annual Report to the Meeting. No copy 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 at least 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**

Place: Secunderabad
Date : 29th June, 2001

S Nagarajan
Company Secretary

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



EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956 IN RESPECT OF THE SPECIAL BUSINESS ITEMS

Item No. 4

Shri M. Srikanth Reddy was appointed as an Additional Director of the Company by the Board in its meeting held on 13th November 2000, pursuant to Articles of Association of the Company. He shall hold office only up to the date of this Annual General Meeting, in accordance with Section 260 of the Companies Act, 1956.

The Company has received a notice from a Member of the Company nominating Shri. M. Srikanth Reddy to the office of the Director of the Company along with the deposit of Rs. 500/- as required under Section 257 of the Companies Act, 1956.

Shri. M. Srikanth Reddy has wide experience in the field of finance and corporate planning. He also holds Directorship of other companies advising of corporate matters and financial planning. The Board of Directors that having regard to his wide knowledge and experience, it would be in the interest of the Company to appoint him as a Director.

Your Directors recommend this Resolution for your approval.

None of the Directors of the Company except Shri M. Srikanth Reddy is concerned or interested in this Resolution.

Item No. 5

At the Extraordinary General Meeting of the Company held on 25th December 1996, the Company had accorded its consent under Section 293(1)(d) of the Companies Act, 1956 to the Directors for borrowing monies upto a limit of Rs. 25.00 Crores in excess of the paid-up capital and free reserves (excluding temporary loans obtained from the Company's Bankers in the ordinary course of business). Taking into account, the further requirement of additional finance in line with the Company's increasing business activities, a fresh resolution is proposed providing that, in addition to the Company's existing borrowings, the Directors may, for and on behalf of and for the purposes of the Company borrow further sums of money amounting in the aggregate to a sum of not more than Rs. 35.00 Crores, thereby raising the total borrowing limit from Rs. 25.00 Crores to Rs. 35.00 Crores in excess of the paid-up capital and free reserves.

None of the Directors of the Company is concerned or interest in the above Resolution.

By Order of the Board
For **Vijay Textiles Limited**

S Nagarajan
Company Secretary

Place: Secunderabad
Date : 29th June, 2001

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 11th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2001.

1. FINANCIAL RESULTS:

	(Rs. in Lakhs)	
	2000-2001	1999-2000
Net Profit for the year	51.69	55.62
Less: Provision for Income Tax	17.02	14.65
Profit after Tax	34.67	40.97
Less: Income Tax Paid Earlier Years	11.92	—
Add: Profit brought forward from last year	45.48	4.51
Total available for appropriations	68.23	45.48

2. PERFORMANCE REVIEW:

During the year, the Company is able to increase its turnover from Rs. 4183.88 Lakhs to Rs. 4370.70 Lakhs, thereby an increase in turnover of Rs. 186.82 Lakhs, thus registering a growth of about 4.46%.

In spite of the increase in turnover the profit level margin got affected due to adverse impact on the textile industry in general.

3. DIRECTORS:

During the year Shri M Srikanth Reddy has been inducted to the Board as Additional Director of the Company in terms of Section 260 of the Companies Act, 1956. He will hold office till the conclusion of this Annual General Meeting of the Company. Notices have been received from Shareholders under Section 257 of the Companies Act, 1956 for re-appointment as Director of the Company.

During the year, Shri Satish Kumar Gupta resigned as Director on 29.01.2001. Your Directors have placed on record their deep sense of appreciation of services rendered during his tenure on the Board.

Shri K Srinivas Reddy has been appointed as Director in lieu of the casual vacancy. Shri K Srinivas Reddy has wide experience in the field of finance and corporate planning. It would be in the interest of the Company to appoint him as Director.

Pursuant to provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri C Narsi Reddy retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

4. DIRECTORS' RESPONSIBILITY:

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000 the Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been

followed along with proper explanation relating to material departures;

- (ii) appropriate accounting policies have been selected and applied consistently, and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2001 and of the profit of the Company for the said period;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on going concern basis.

5. AUDITORS:

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

6. 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.

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
For Vijay Textiles Limited

Place: Secunderabad
Date : 29th June, 2001

Vijay Kumar Gupta
Chairman & Managing Director



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:

	31.03.2001	31.03.2000
1. Electricity		
a) Purchased		
Units	16,93,357	20,34,919
Total Amount (Rs.)	72,70,026	81,30,838
Unit rate (Rs.)	4.29	4.00
b) Own Generation		
i) Through Diesel Generator		
Units	1,25,304	1,52,320
Units per ltr of Diesel oil	2.72	2.72
Cost/Unit (Rs.)	5.28	4.73
2. Coal used in Boiler		
Quantity (Tones)	3,338	3,399
Cost (Rs.)	66,29,842	62,50,278
Average Rate (Rs.)	1,986	1,839
3. Furnace Oil (HSD)		
Quantity (K.Ltr.)	Nil	Nil
Total Amount		
Average Unit/Ltr.		
4. Others/Internal generation		
Quantity	Nil	Nil
Total Cost		
Rate/Unit		
B. Consumption per unit of production (Linear meter)		
Electricity	0.19	0.29
Furnace Oil	Nil	Nil
Coal (Kgs.)	0.04	0.05
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.)	:	32,11,559	1,28,15,637
Outgo (Rs.)	:	—	1,88,065

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	52	Managing Director	7,28,126	B.Com.	34	01.04.1990	Business
2.	Mr. Susheel Kumar Gupta	26	Executive Director	4,80,000	B.Com.	7	01.04.2001	Businesses

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 June, 2001

Vijay Kumar Gupta
Chairman & Managing Director

