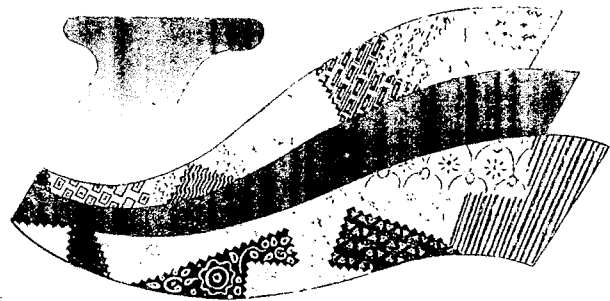


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CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
ACM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
VE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>



**7<sup>th</sup>** ANNUAL REPORT 1996-97





## Board of Directors

**Vijay Kumar Gupta**  
Chairman & Managing Director

**Shashikala Gupta**  
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**  
Oriental Bank of Commerce  
Union Bank of India

**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

## 7th Annual Report 1996-97

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## NOTICE

**NOTICE** is hereby given that the Seventh Annual General Meeting of the Members of VIJAY TEXTILES LIMITED will be held on Monday, the 29th September, 1997 at 4.00 P.M. at Hotel Viceroy, Tankbund Road, Hyderabad - 500 380 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 1997 and the Balance Sheet as on that date, together with the reports of the Directors and Auditors thereon.
2. To declare dividend on the Equity Shares of the Company for the year ended 31st March, 1997.
3. To appoint a Director in the place of Smt. Shashikala Gupta, who retires by rotation and being eligible offers herself 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 with or without modification(s) the following Resolution as an Ordinary Resolution:

**"RESOLVED THAT** Shri C Narsi Reddy, who was appointed as an Additional Director of the Company by the Board of Directors on 23rd October, 1996, 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".

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

**"RESOLVED THAT** Shri Satish Kumar Gupta, who was appointed as an Additional Director of the Company by the Board of Directors on 23rd October, 1996, 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".

7. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a special Resolution:

**"RESOLVED THAT** subject to all applicable provisions of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force and as may be enacted from time to time), and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to and accepted by the Board of Directors of the Company (hereinafter referred to as the "Board"), the consent of the Company be and is hereby accorded to the Board of Directors (or any such Director or Committee authorised by the Board) to acquire/purchase from time to time any of the Company's own fully/party paid shares on such terms and conditions and upto such limits as may be prescribed by law from time to time provided that acquisition/purchase of such fully/party paid Equity Shares of the Company shall not be construed as a reduction of Equity Share Capital which is subject to the provisions as stipulated in Section 100 to 104 and Section 402 of the Companies Act, 1956 for the time being in force".

**"RESOLVED FURTHER THAT** the Board of Directors (or any such Director or Committee authorised by the Board) be and is hereby authorised to or cause to be done all such acts, deeds, matters and things and all such powers mentioned herein above, as may be necessary, expedient, usual or proper to implement this resolution".

8. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

**"RESOLVED THAT** the Article 12 of the Articles of Association of the Company be altered as follows:

#### ARTICLE: 12

In the event it is permitted by the Law and subject to such conditions, approvals, or consents as may be laid down for the purpose, the Company shall have the power to buy-back its own shares, whether or not there is any consequent reduction of capital. If and to the extent permitted by Law, the Company shall also have the power to re-issue the shares so bought-back".

By Order of the Board  
for Vijay Textiles Limited

S Nagarajan  
Company Secretary

Place: Secunderabad

Date : 6th August, 1997

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 Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Item Nos. 5 to 8 herein above is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 23rd September, 1997 to Monday, the 29th September, 1997 (both days inclusive).
5. The dividend on the Equity Shares as recommended by the Directors for the year ended 31st March, 1997 when approved at the Annual General Meeting of the Company will be payable within forty two days from the date of the declaration of the dividend by the members to those Shareholders whose names stand on the Company's Register of Members as on Monday, the 29th September, 1997 and to whom dividend warrants will be posted.
6. **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.**
7. Members are requested to notify change in address, if any, immediately to the Registered Office of the Company.
8. 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.
9. Members attending the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting place.
10. **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

Place : Secunderabad  
Date : 6th August, 1997

**S Nagarajan**  
Company Secretary

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



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

### Item No. 5

Shri C Narsi Reddy was appointed as an Additional Director of the Company by the Board in its meeting held on 23rd October, 1996, pursuant to Articles of Association of the Company. He shall hold office only upto 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 C Narsi Reddy to the office of the Director of the Company along with a deposit of Rs.500/- as required under Section 257 of the Companies Act, 1956.

Shri C Narsi 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 considers 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 C Narsi Reddy is concerned or interested in this Resolution.

### Item No. 6

Shri Satish Kumar Gupta was appointed as an Additional Director of the Company by the Board in its meeting held on 23rd October, 1996, pursuant to Articles of Association of the Company. He shall hold office only upto 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 Satish Kumar Gupta to the office of the Director of the Company along with a deposit of Rs.500/- as required under Section 257 of the Companies Act, 1956.

Shri Satish Kumar Gupta has wide experience in the business of Textiles for the last 25 years. Apart from his own business of Textiles he has had his credit of holding

different positions in various textile associations. The Board considers 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 Satish Kumar Gupta is concerned or interested in this Resolution.

### Item No. 7 & 8

Articles of Association of the Company restricts the Company from purchasing its own shares. As one of the measures for broadening the Capital Market, proposal have been under discussions regarding permitting Companies to buy their own shares within a stipulated regulatory frame work. In view of this, permission is being obtained from the members of the Company and also the Articles of Association of the Company are proposed to be amended to incorporate an enabling provision, so that as and when the Law is amended, the same can be invoked if required.

Articles of Association of the Company are available for inspection to the Shareholders of the Company on all working days at its Registered Office between 10.00 a.m. to 3.30 p.m. up to the date of meeting.

None of the Directors of the Company is concerned or interested in the Resolution.

By Order of the Board  
for Vijay Textiles Limited

Place : Secunderabad  
Date : 6th August, 1997

S Nagarajan  
Company Secretary

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

## DIRECTORS' REPORT

To  
Members of  
Vijay Textiles Limited

We take great pleasure in presenting the 7th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 1997.

### 1. FINANCIAL RESULTS:

	(Rupees in Lakhs)	
	1996-97	1995-96
	Rupees	Rupees
Net Profit for the Year	198.44	389.79
Less: Provision for Income Tax	13.51	71.32
Profit after Tax	184.93	318.47
Add: Prior Year Adjustments	2.26	0.23
Add: Profit brought forward from last Year	0.40	4.53
Total available for Appropriations	187.59	323.23

### APPROPRIATIONS:

Proposed Dividend	47.48	48.83
Corporate Tax on Proposed Dividend	4.75	—
Transfer to General Reserve	135.00	274.00
Balance carried forward to next Year	0.36	0.40

### 2. DIVIDEND:

The Directors are glad to recommend a dividend of 15% on the paid-up Equity Capital of the Company for the year ended 31st March, 1997.

### 3. PERFORMANCE REVIEW:

Despite unfavourable conditions, your Company has been able to step up the Sales turnover from Rs.25.78 Crores to Rs.30.02 Crores. Sales realisations and margins were lower due to sluggish market conditions.

The highlights of the year have been better and effective utilisation of the installed capacity along with a major thrust on better quality. Added to this, the Company has made an export sales of 0.33 Crores as a trial basis and the product has widely accepted in the export market. The Company's products have good export potential and it continues to explore all export possibilities according to the changed market scenario.

### 4. DIRECTORS:

During the year Shri C Narsi Reddy and Shri Satish Kumar Gupta were appointed as Additional Directors of the Company by the Board in terms of Section 260 of the Companies Act, 1956. They will hold office till the conclusion

of the forthcoming Annual General Meeting of the Company. Notices have been received from Shareholders under Section 257 of the Companies Act, 1956 for re-appointment of Shri C Narsi Reddy and Shri Satish Kumar Gupta as Directors of the Company.

Pursuant to provisions of Section 255 & 256 of the Companies Act, 1956 Smt Shashikala Gupta retires from her office as a Director of the Company at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

### 5. AUDITORS:

The Auditors, M/s. Laxminiwas & 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. STATEMENT IN TERMS CLAUSE 43 OF THE LISTING AGREEMENT:

As required by Clause 43 of the Listing Agreement, performance of the Company vis-a-vis projections made in the Prospectus in respect of its Public Issue is presented below:

	(Rs. in Lakhs)	
Particulars	Projections made in the prospectus for the year ended 31.03.97	Actuals for the year ended 31.03.97
1. Sales	3658.00	3004.97
2. Net Profit	554.00	198.44

The general trend of recession in Textile Industry, drastic changes in the price of raw-materials and Government policy in duty structure affected our sales and profit margin.



### 13. 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

Date : 6th August, 1997

**Vijay Kumar Gupta**

Chairman & Managing Director

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## ANNEXURE TO DIRECTORS' REPORT

FORM A  
[Forming part of Annexure (1)]

## Disclosure of Particulars with respect to conservation of Energy:

<b>1. Energy conservation:</b>	<b>31.3.1997</b>	<b>31.3.1996</b>
<b>A. Power and Fuel Consumption:</b>		
1. Electricity		
a) Purchased		
Units	14,13,371	9,66,869
Total Amount (Rs.)	41,51,471	20,37,939
Unit rate (Rs.)	2.94	2.11
b) Own Generation		
i) Through Diesel Generator		
Units	3,53,462	5,71,741
Units per litre of Diesel oil	2.72	2.61
Cost/Unit (Rs.)	8.41	8.05
2. Coal used in Boiler		
Quantity (Tonnes)	3,395	3,324
Cost (Rs.)	45,85,236	38,22,707
Average Rate (Rs.)	1,351	1,150
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>B. Consumption per unit of production (Linear meter)</b>		
Electricity	0.41	0.40
Furnace Oil	Nil	Nil
Coal (Kgs.)	0.80	0.87
Others	Nil	Nil
<b>2. Technology Absorption</b>	: The Company has its Inhouse Design Department to continuously develop innovative designs and to select the most suitable raw fabrics for dyeing/printing/processing.	
<b>3. Foreign Exchange earnings and outgo (Rs.)</b>		
Earnings	322164	Nil
Outgo	22050	Nil