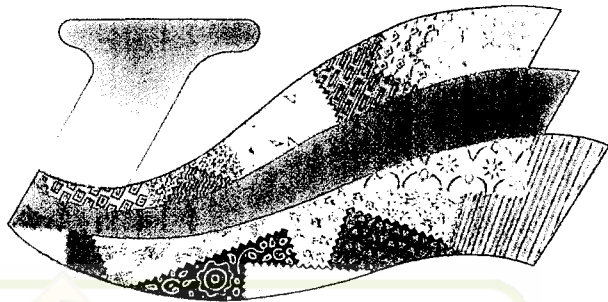


MD		BKC	
CS		DPY	AA
RO		DIV	
TRA		AC	✓
ACM		SH	✓
NE			



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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

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

8th Annual Report 1997-98

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NOTICE

NOTICE is hereby given that the Eighth Annual General Meeting of the Members of VIJAY TEXTILES LIMITED will be held on Monday, the 28th September, 1998 at 2.30 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, 1998 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, 1998.
3. To appoint a Director in the place of Shri Gautam Chand Jain, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Shri Susheel Kumar Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
5. 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

6. 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 Sections 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 Vijay Kumar Gupta as Chairman and Managing Director of the Company for a period of 5 (five) years with effect from 1st April, 1999, 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."

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

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

S Nagarajan

Company Secretary

Place: Secunderabad
Date : 21st August, 1998
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 No. 6 herein above is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 22nd September, 1998 to Monday, the 28th September, 1998 (both days inclusive).
5. The dividend on the Equity Shares as recommended by the Directors for the year ended 31st March, 1998 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 28th September, 1998 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**

S Nagarajan

Company Secretary

Place: Secunderabad
Date : 21st August, 1998
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. 6

Shri Vijay Kumar Gupta was appointed as the Managing Director of the Company for a period of five years with effect from 1st April, 1994 on the terms and remuneration as approved by the Shareholders of the Company. Shri Vijay Kumar Gupta holds office as Managing Director till 31.03.1999. The Directors of the Company at their meeting held on 21st August 1998 decided to appoint, subject to the approval of Shareholders and other applicable approvals, if any, Shri Vijay kumar Gupta as Chairman and Managing Director of the Company for a period of five years with effect from 1st April, 1999.

Considering the fact that, Shri Vijay Kumar Gupta has ably led the Company to the present state, the Board of Directors recommend that Shri Vijay Kumar Gupta be appointed as Chairman and Managing Director for a period of five years with effect from 1st April, 1999, as specified in the resolution.

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

1. Designation

Chairman and Managing Director

2. Salary

Rs. 30,000/- per month

3. Perquisites/Allowances

Shri Vijay 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.18,000/- 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 served. Expenses for travel anywhere in India on leave for Chairman and Managing 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. Commission

Commission will be equivalent to the annual salary or such other higher sum as may be fixed by the Board subject to the applicable ceilings.

5. 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.

6. 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.

Smt. Shashikala Gupta, Shri Susheel Kumar Gupta and Shri Satish Kumar Gupta being relatives of Shri Vijay 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 : 21st August, 1998

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 8th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 1998.

1. FINANCIAL RESULTS

	(Rs. in Lakhs)	
	1997-98	1996-97
Net Profit for the Year	78.92	198.44
Less : Provision for Income Tax	18.33	13.51
Profit after Tax	60.59	184.93
Add : Prior Year Adjustments	—	2.26
Add : Profit brought forward from last Year	0.36	0.40
Total available for Appropriations	60.95	187.59

APPROPRIATIONS

Proposed Dividend	28.50	47.48
Corporate Tax on Proposed Dividend	2.85	4.75
Transfer to General Reserve	29.00	135.00
Balance carried forward to next Year	0.60	0.36

2. DIVIDEND

The Directors recommend a dividend of 9% for the year ended 31st March, 1998. The dividend and 10% tax there on will absorb Rs.31.35 Lakhs - payout ratio of 51.44% of profit available for appropriations.

3. PERFORMANCE REVIEW

The adverse economic environment affected your Company's performance under review and profit margins were under severe pressure following a severe increase in input costs.

Despite the above discouraging environment, your Company successfully managed to partially offset the effect of the resilient forces by improving productivity and operating efficiencies. Your Company achieved a net profit of Rs. 78.92 Lakhs. The turnover stood at Rs. 3669.43 Lakhs registering a growth of 22.23% over the previous year's turnover of Rs. 3002.08 Lakhs.

In tune with the challenging times, your Company is heading to become a quality and cost competitive supplier of textile fabrics and initial a number of measures to improve productivity and lower costs. The results of such

measures are expected to improve the bottom line substantially in the current year.

4. DIRECTORS

Pursuant to provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri Gautam Chand Jain and Shri Susheel Kumar Gupta will retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

5. AUDITORS

The Auditors, M/s. Laxminiwas & Jain, Chartered Accountants, will 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

Place: Secunderabad

Date : 21st August, 1998

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:	31.03.1998	31.03.1997
<i>A. Power and Fuel Consumption:</i>		
1. Electricity		
a) Purchased		
Units	14,96,331	14,13,371
Total Amount (Rs.)	55,34,895	41,51,471
Unit rate (Rs.)	3.70	2.94
b) Own Generation		
i) Through Diesel Generator		
Units	69,088	3,53,462
Units per litre of Diesel oil	2.72	2.72
Cost/Unit (Rs.)	4.03	3.09
2. Coal used in Boiler		
Quantity (Tonnes)	3,092	3,395
Cost (Rs.)	65,57,464	45,85,236
Average Rate (Rs.)	2,121	1,351
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		
<i>B. Consumption per unit of production (Linear meter)</i>		
Electricity	0.30	0.41
Furnace Oil	Nil	Nil
Coal (Kgs.)	0.59	0.80
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.)	:	1887333	322164
Outgo (Rs.)	:	390182	22050



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	49	Managing Director	3,60,000	B.Com.	31	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 : 21st August, 1998

Vijay Kumar Gupta
Chairman & Managing Director

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