



**12<sup>th</sup>** ANNUAL REPORT 2001-2002



## Board of Directors

**/ijay 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

### 12th Annual Report 2001–2002

#### Bankers

Indian Overseas Bank  
Hyderabad Main Branch  
Bank Street, Koti  
HYDERABAD

#### Indian Overseas Bank

M G Road Branch  
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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**NOTICE**

**NOTICE** is hereby given that the Twelfth Annual General Meeting of the Members of VIJAY TEXTILES LIMITED will be held on Friday, the 30th August, 2002 at 2.30 P.M. 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, 2002 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 Gautam Chand Jain, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Shri K Srinivas Reddy, who retires by rotation and being eligible offers himself for re-appointment.
4. 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.

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

**S Nagarajan**  
Company Secretary

Place: Secunderabad  
Date : 29th June, 2002

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 Monday, the 26th August, 2002 to Friday, the 30th August, 2002 (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 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**

**S Nagarajan**  
Company Secretary

Place: Secunderabad  
Date : 29th June, 2002

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



## DIRECTORS' REPORT

Dear Shareholders,

We have pleasure in presenting the 12th Annual Report and Audited Statement of Accounts of the Company for the year ended 31st March, 2002. The year under review was characterized by general economic slow down with recession in the Indian economy. The situation was further influenced by various disturbances arising out of terrorist attack, cross border tensions, disturbances / riots particularly in the state of Gujarat etc. Your Company forced to face these challenges. In spite of these adverse circumstances, we hope you will find the performance of our company satisfactory.

### 1. FINANCIAL RESULTS:

	(Rs. in Lakhs)	
	2001-02	2000-01
Income from operations	5236.26	4370.70
Net Profit for the year	89.04	51.69
Less: Taxation		
a. Income Tax Paid Earlier Years	3.57	11.92
b. Provision for Taxation		
- Current Year	12.95	17.02
c. Deferred Tax	16.10	—
Profit after Tax	56.42	22.75
Add: Profit brought forward		
from last year	68.23	45.48
Total available for appropriations	124.65	68.23

### 2. PERFORMANCE REVIEW:

During the year, the Company has increased its turnover from Rs. 4370.70 Lakhs in 2000-2001 to Rs. 5236.26 Lakhs, thus registering a growth of about 19.80%. The interest cost reduced marginally on account of restructuring and replacement of high cost debts.

Deferred tax of Rs. 16.10 Lakhs has been provided for the current year as required under the Accounting Standard 22 issued by the Institute of Chartered Accounts of India. The accumulated net deferred tax of Rs. 122.50 lakhs has been adjusted against General Reserve in accordance with the said Accounting Standard.

### 3. BUSINESS OUTLOOK:

Your Company increases its marketing network by appointing new agents in respect of un-represented areas. Further, the Company developed new varieties of furnishing fabrics and improving its efficiencies in the manufacturing operations. Barring unfortunate circumstances, the performance is expected to be good in the coming years.

### 4. ENVIRONMENT AND HUMAN RESOURCE DEVELOPMENT:

During the year Company has installed Reverse Osmosis Plant to meet the Pollution Control Standards and taken special care on environment and pollution. Your company always believes in keeping our environmental pollution free and committed to our social responsibility.

We would like to place on record our appreciation for the efforts made by the Management and the keen interest taken by the employees of the Company in continual improvement of the progress of the company and responding to the call of changing environment.

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

Information regarding Energy Conservation, Technology Absorption and Foreign Exchange earnings and outgo, as required by the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are set out in a separate statement attached hereto and forming part of the report.

### 6. CORPORATE GOVERNANCE:

As per clause 49 of the Listing Agreement with Stock Exchanges, your Company's Schedule of Implementation of Corporate Governance falling under the category of implementation within financial year 2002-2003 but not later than 31st March, 2003. The Company is taking necessary steps for due compliance of the provisions of Corporate Governance.

### 7. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirements of Section 217(2 AA) of the Companies Act, 1956 and on the basis of explanation given by the executives of the Company and subject to disclosures in the Annual Accounts and also on the basis of discussions with the Statutory Auditors of the Company from time to time, we state as under:

- That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- That the directors had selected such accounting policies and applied them consistently and made

judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;

- iii That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv That the directors had prepared the annual accounts on a going concern basis;

#### 8. DIRECTORS:

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

#### 9. AUDITORS:

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

#### 10. COST AUDITORS:

The cost accounts records maintained by your Company for the products manufactured are subject to yearly audit by the qualified Cost Auditors. Your Company has appointed Shri K Narayana Rao, a qualified Cost Auditors for conducting the audit of Cost Account records for financial year 2001-02.

#### 11. PARTICULARS OF EMPLOYEES:

Information required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, are set out in a separate Statement attached hereto and forming part of the report.

#### 12. 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.

For and on behalf of the Board

Place: Secunderabad  
Date : 29th June, 2002

**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:

	31.03.2002	31.03.2001
1. Electricity		
a) Purchased		
Units	4,54,867	16,93,357
Total amount (Rs.)	21,07,792	72,70,026
Unit rate (Rs.)	4.63	4.29
b) Own Generation		
Through Diesel Generator		
Units	20,79,443	1,25,304
Units per ltr. of Diesel oil	3.73	2.72
Cost/Unit (Rs.)	4.96	5.28
2. Coal used in Boiler		
Quantity (Tones)	4,149	3,338
Cost (Rs.)	82,36,688	66,29,842
Average Rate (Rs.)	1,985	1,986
3. Furnace Oil (HSD)		
Quantity (K.Ltr.)		
Total Amount (Rs.)	Nil	Nil
Average Unit/Ltr.		
4. Others/Internal generation		
Quantity		
Total Cost	Nil	Nil
Rate/Unit		
B. Consumption per unit of production (Linear meter)		
Electricity	0.53	0.23
Furnace Oil	Nil	Nil
Coal (Kgs.)	0.09	0.04
Others	Nil	Nil

##### 2. Technology Absorption

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

##### 3. Foreign Exchange earnings and outgo

Earnings (Rs.)	:	—	32,11,559
Outgo (Rs.)	:	—	—

**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
<b>A. Employed for whole year</b>								
1.	Mr. Vijay Kumar Gupta	53	Managing Director	7,29,426	B.Com.	35	01.04.1990	Business
2.	Mr. Susheel Kumar Gupta	27	Executive Director	4,80,000	B.Com.	8	01.04.2001	Business

Note: 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, 2002**Vijay Kumar Gupta**  
Chairman & Managing Director



## ANNEXURE TO DIRECTORS' REPORT

[Forming part of Annexure (3)]

Additional information as required under Part IV of Schedule VI to the Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile:

### I. Registration Details

Registration No. 

0	1	-	1	0	9	7	3
---	---	---	---	---	---	---	---

 State Code 

				0	1
--	--	--	--	---	---

Balance Sheet Date 

3	1	-	3	-	2	0	0	2
---	---	---	---	---	---	---	---	---

 31st March, 2002

### II. Capital raised during Year (Amount Rs. in Thousands)

Public Issue 

		N	I	L
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 Rights Issue 

		N	I	L
--	--	---	---	---

Private Placement 

		N	I	L
--	--	---	---	---

 Bonus Issue 

		N	I	L
--	--	---	---	---

### III. Position of Mobilisation and Deployment of Funds (Amount Rs. in Thousands)

Total Liabilities 

4	4	7	2	0	1
---	---	---	---	---	---

 Total Assets 

4	4	7	2	0	1
---	---	---	---	---	---

#### SOURCES OF FUNDS

Paid-up Capital 

	3	1	7	3	1
--	---	---	---	---	---

Reserves & Surplus 

1	6	6	0	7	4
---	---	---	---	---	---

Secured Loans 

2	2	0	0	7	4
---	---	---	---	---	---

Unsecured Loans 

	2	9	3	2	2
--	---	---	---	---	---

#### APPLICATION OF FUNDS

Net Fixed Assets 

	7	8	4	1	3
--	---	---	---	---	---

Investments 

		4	3	0	4
--	--	---	---	---	---

Net Current Assets 

3	6	2	4	0	1
---	---	---	---	---	---

Misc. Expenditure 

		2	0	8	3
--	--	---	---	---	---

### IV. Performance of the Company (Amount Rs. in Thousands)

Turnover (incl. Other Income) 

5	2	3	9	7	1
---	---	---	---	---	---

 Total Expenditure 

5	1	5	0	6	7
---	---	---	---	---	---

Profit Before Tax 

		8	9	0	4
--	--	---	---	---	---

 Profit After Tax 

		5	6	4	2
--	--	---	---	---	---

Earning Per Share (Rs.) 

		1	•	7	0
--	--	---	---	---	---

 Dividend Rate (%) 

					—
--	--	--	--	--	---

### V. Generic names of Principal Products/Services of the Company (As per Monetary Terms)

Items Code No. (ITC Code)

		5	2	1	0
--	--	---	---	---	---

Product Description

1	0	0	%	P	O	L	Y	E	S	T	E	R	S	H	I	R	T	I	N	G	,
B	L	E	N	D	E	D	F	A	B	R	I	C	S	&	D	R	E	S	S		
M	A	T	E	R	I	A	L	S													