

MD	✓			BKC	✓
CS	N/A			D2Y	N/A
RO	✓			DIV	N/A
TRA	N/A			AC	✓
AGM	✓	✓		HI	✓
YE	✓	✓	✓		✓

6th
Annual Report & Accounts
1997-98

Report  Junction.com



VIPPY SPINPRO LTD.





Board of Directors	:	SHRI VIMEL C. MUTHA (Chairman)
	:	SHRI RAHUL MUTHA
	:	SHRI M.L. JAIN
	:	SHRI SHAILENDRA K. JAIN
	:	SHRI S.L.G. JAIN
	:	SHRI PIYUSH K. MUTHA (Joint Managing Director)
	:	SHRI PRAKASH MUTHA (Managing Director)
Auditors	:	SODANI & COMPANY
Bankers	:	BANK OF MAHARASHTRA PUNJAB NATIONAL BANK
Registered Office	:	14-A, INDUSTRIAL AREA, A.B. ROAD, DEWAS-455001(M.P.)

**NOTICE**

NOTICE is hereby given that the 6th Annual General Meeting of the Company will be held on Saturday, the 26th day of September, 1998 at 3.00 P.M. at its registered office 14-A Industrial Area, A.B. Road, Dewas (M.P.) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 1998 and the Profit and Loss Account for the year ended on that date and report of The Board of Directors and Auditors thereon.
2. i) To appoint a Director in place of Shri Rahul Mutha who retires by rotation and being eligible, offers himself for re-appointment.
ii) To appoint a Director in place of Shri Shailendra K. Jain who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit to pass with or without modification the following resolution as an Special Resolution :

“RESOLVED THAT pursuant to provisions of Sections 198/269/310/311/314, schedule XIII and other applicable provisions of the Companies Act, 1956, Shri Prakash Mutha be and is hereby reappointed as Managing Director of the company for a period of 5 years with effect from 25.08.1998 to 24.08.2003 on the following remuneration and perquisites :-

a. Salary:

Rs.35,000/- (Rs. Thirty five thousand only) per month in the scale of Rs.35,000/- Rs.5,000/- Rs.60,000/-.

b. Perquisites :

In addition to the above the Managing Director shall be entitled to the following perquisites :

CATEGORY 'A' :**1. Housing :**

Expenditure by the Company on hiring of unfurnished accommodation will be subject to a ceiling of 50% of salary over and above 10% payable by the Managing Director himself.

2. Gas, Electricity Water and Furnishing :

Expenditure incurred by the Company on Gas, Electricity, Water and Furnishing shall be valued as per the Income Tax Rules, 1962. These shall, however, subject to a ceiling of 10% of the salary of the Managing Director.

3. Medical Reimbursement :

Expenses incurred by the self and family subject to a ceiling of one month's salary per year or three month's salary over a period of three years.

4. Leave Travel Concession :

For self and family once in a year, for any destination in India. In case it is proposed that leave be spent in home country return passes may be allowed for self and family once in a year by economy class or once in two years by First Class.

5. Club Fees :

Fees of clubs subject to a maximum of two clubs. However, this will not include admission and life membership fees.

6. Personal Accident Insurance :

Benefit of a personal accident insurance of an amount, the premium of which does not exceed Rs. 1,000/- per annum.

7. Children Education Allowance :

In case of children studying in or outside India an allowance limited to a maximum of Rs. 3,500/-



per month per child or actual expenses incurred whichever is less, admissible. Such allowance is admissible upto a maximum of two children.

CATEGORY 'B' :

1. Provident Fund etc.:

Contributions to Provident Fund and Superannuation Fund or Annuity Fund to be in accordance with the practice, Rules and Regulations in force, from time to time. The contribution to Provident Fund and Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling of the perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.

2. Gratuity :

Gratuity payable shall not exceed half a month's salary for each completed year of service subject to a ceiling of Rs. One Lac.

CATEGORY 'C' :

1. The Company shall provide a car with driver and a telephone at the Managing Director's residence, provision of a car for use on Company's business and telephone at residence will not be considered a perquisites. Personal long distance calls on telephone and use of a car for private purpose shall be billed by the Company to the Managing Director.

2. The Director will also be allowed Earned/Privilege leave on full pay and allowance as per rules of the Company, but not more than six weeks leave for every 12 months of service. However, leave accumulated but not availed of, will not be allowed to be en-cashed.

The Managing Director shall not be paid any sitting fee for attending any meeting of the Board or a Committee thereof.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised with liberty and powers to the Board of Directors to increase, reduce, alter or vary the terms of remuneration in such manner as the Board may deem fit within the limits specified in Schedule XIII of the said Act, as existing or as amended, modified or re-enacted from time to time by the Constitution of India."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper".

5. To consider and if thought fit to pass with or without modification the following resolution as an Special Resolution :

"RESOLVED THAT pursuant to provisions of Sections 198/269/310/311/314, schedule XIII and other applicable provisions of the Companies Act, 1956, Shri Piyush K. Mutha be and is hereby reappointed as Joint Managing Director of the company for a period of 5 years with effect from 01.04.1998 to 31.03.2003 on the following remuneration and perquisites :-

a. Salary:

Rs.30,000/- (Rs. Thirty thousand only) per month in the scale of Rs.30,000/- Rs.5,000/- Rs.55,000/-.

b. Perquisites :

In addition to the above the Joint Managing Director shall be entitled to the following perquisites:

CATEGORY 'A' :

1. Housing :

Expenditure by the Company on hiring of unfurnished accommodation will be subject to a ceiling of 50% of salary over and above 10% payable by the Joint Managing Director himself.

2. Gas, Electricity Water and Furnishing :

Expenditure incurred by the Company on Gas, Electricity, Water and Furnishing shall be valued as per the Income Tax Rules, 1962. These shall, however, subject to a ceiling of 10% of the salary of the Joint Managing Director.

**3. Medical Reimbursement :**

Expenses incurred by the self and family subject to a ceiling of one month's salary per year or three months salary over a period of three years.

4. Leave Travel Concession :

For self and family once in a year, for any destination in India In case it is proposed that leave be spent in home country return passes may be allowed for self and family once in a year by economy class or once in two years by First Class.

5. Club Fees :

Fees of clubs subject to a maximum of two clubs. However, this will not include admission and life membership fees.

6. Personal Accident Insurance :

Benefit of a personal accident insurance of an amount, the premium of which does not exceed Rs. 1,000/- per annum.

7. Children Education Allowance :

In case of children studying in or outside India an allowance limited to a maximum of Rs. 3,500/- per month per child or actual expenses incurred whichever is less, admissible. Such allowance is admissible upto a maximum of two children.

CATEGORY 'B' :**1. Provident Fund etc.:**

Contributions to Provident Fund and Superannuation Fund or Annuity Fund to be in accordance with the practice, Rules and Regulations in force, from time to time. The contribution to Provident Fund and Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling of the perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.

2. Gratuity :

Gratuity payable shall not exceed half a month's salary for each completed year of service subject to a ceiling of Rs. One Lac.

CATEGORY 'C' :

1. The Company shall provide a car with driver and a telephone at the Joint Managing Director's residence, provision of a car for use on Company's business and telephone at residence will not be considered a perquisites. Personal long distance calls on telephone and use of a car for private purpose shall be billed by the Company to the Joint Managing Director.

2. The Director will also be allowed Earned/Privilege leave on full pay and allowance as per rules of the Company, but not more than six weeks leave for every 12 months of service. However, leave accumulated but not availed of, will not be allowed to be en-cashed.

The Joint Managing Director shall not be paid any sitting fee for attending any meeting of the Board or a Committee thereof.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised with liberty and powers to the Board of Directors to increase, reduce, alter or vary the terms of remuneration in such manner as the Board may deem fit within the limits specified in Schedule XIII of the said Act, as existing or as amended, modified or re-enacted from time to time by the Constitution of India."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper".

By order of the Board

DEWAS

Dated : 30th June, 1998

PRAKASH MUTHA
Managing Director

**NOTES:**

1. The relevant explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956 is annexed hereto.
2. A Member entitled to attend and vote at the meeting is entitled to appoint Proxy to attend and vote instead of himself and the Proxy need not be a Member.
3. The Register of Members and Share Transfer Books will remain closed from 26th September, 1998 to 5th October, 1998 (both days inclusive) for the purpose of Annual General Meeting.

EXPLANATORY STATEMENT

[Pursuant to Section 173(2) of the Companies Act, 1956]

Item No. 4

The Members are aware that at the 2nd Annual General Meeting of the Company held on 24th day of September, 1994 they had accorded their consent to the remuneration of Shri Prakash Mutha, Managing Director for salary in the Scale of Rs. 20,000/- per month and perquisites and benefits as per details given for convening the referred AGM. The Board of Directors of the Company have, keeping in view the contribution made by him in all round progress of the Company, decided in their meeting held on 30th day of June, 1998 to increase remuneration and perquisites payable to him, subject to shareholders and other approval with effect from 1st October, 1998 on the terms and conditions as detailed in the Resolution. The proposed remuneration will be within the prescribed limits for the Managerial personnel in Schedule XIII of the Companies Act, 1956.

Except Shri Prakash Mutha, Shri Vimel C. Mutha, Shri Rahul Mutha and Shri Piyush K. Mutha none of the Director is concerned or interested in the above Resolution. The contents of the Resolution alongwith the explanatory statement shall be deemed to be an abstract of the terms and conditions of variation in terms of appointment of Shri Prakash Mutha under Section 302 of the Companies Act, 1956 and Memorandum of interest in that behalf.

Item No. 5

The Members are aware that at the 2nd Annual General Meeting of the Company held on 24th day of September, 1994 they had accorded their consent to the remuneration of Shri Piyush K. Mutha, Director for salary in the Scale of Rs. 15,000/- per month and perquisites and benefits as per details given for convening the referred AGM. The Board of Directors of the Company have, keeping in view the contribution made by him in all round progress of the Company, decided in their meeting held on 30th day of June, 1998 to increase remuneration and perquisites payable to him, subject to shareholders and other approval with effect from 1st October, 1998 on the terms and conditions as detailed in the Resolution. The proposed remuneration will be within the prescribed limits for the Managerial personnel in Schedule XIII of the Companies Act, 1956.

Except Shri Prakash Mutha, Shri Vimel C. Mutha, Shri Rahul Mutha and Shri Piyush K. Mutha none of the Director is concerned or interested in the above Resolution. The contents of the Resolution alongwith the explanatory statement shall be deemed to be an abstract of the terms and conditions of variation in terms of appointment of Shri Piyush K. Mutha under Section 302 of the Companies Act, 1956 and Memorandum of interest in that behalf.

By order of the Board

DEWAS

Dated : 30th June, 1998

PRAKASH MUTHA
Managing Director

**DIRECTORS' REPORT**

To the Members,

The Directors have pleasure in submitting the Sixth Annual Report together with the Audited Accounts for the year ended 31st March, 1998.

FINANCIAL RESULTS :

	For The Year ended 31st March, 1998 (Rs. in lacs)	For The Year ended 31st March, 1997 (Rs. in lacs)
Earning before Interest and Depreciation	75.79	106.02
Less: Interest (Net)	39.61	43.35
	36.18	62.67
Less: Depreciation	30.07	24.62
Profit before Tax	6.11	38.05
Less: Provision for Taxation	0.80	5.25
Amount available for appropriation	5.31	32.80
APPROPRIATION :		
Transferred to General Reserve	-	-
Balance carried to Balance Sheet	5.31	32.80
	5.31	32.80

DIVIDEND :

In view of need for conservation of resources the Directors regret their inability to recommend any Dividend for the year under review.

OPERATIONS :

During the year under review, the Company achieved a turnover of Rs.1371.23 lacs as compared to Rs.1322.94 lacs in the previous year. Gross profit stood at Rs. 75.79 lacs as compared to Rs.106.02 lacs during the previous year.

FINANCE :

During the year under report the Company has paid installments of term loan and interest thereon as per Schedule. The Company has also paid lease rent to ICICI and Nucleus Securities Ltd. as per Schedule.

Also, during the year Company has fulfilled the Export obligation and DGFT release the Bank Guarantee of Rs. 40,80,400/-

INSURANCE :

The Company's building, machineries, stocks, stores and spares are adequately insured against various risks including machinery break down.

FIXED DEPOSIT :

The Company neither received nor invited any Fixed Deposit during the year under review.

**SOCIAL RELATIONS :**

Relations between the employees and the management remained cordial. The Directors wish to place on record their appreciation of the devoted service rendered by the workers, staff and the officers of the Company.

DIRECTORS :

Directors Shri Rahul Mutha and Shri Shailendra K. Jain retire by rotation and being eligible for re-appointment, offer themselves for re-appointment.

PARTICULARS OF EMPLOYEES :

Statement contained particulars of employees as required under section 217(2A) of the Companies Act, 1956 read with Companies (particulars of employees) Rules 1975 is annexed (Annexure 'A') and form part of this report.

PARTICULARS OF CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO :

Additional information on conservation of energy, technology absorption, foreign exchange earnings and outgo as required to be disclosed in terms of section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules 1988 is annexed hereto (Annexure 'B') and form part of this report.

AUDITORS :

M/s. Sodani & Company Chartered Accountants, the auditors of the Company, retire at the conclusion of this meeting and are eligible for reappointment.

ACKNOWLEDGEMENT :

The Directors acknowledge with gratitude and wish to place on record their appreciation for support and co-operation received by the Company from Bank of Maharashtra, Punjab National Bank, ICICI, Shareholders, and State and Union Government.

On behalf of the Board of Directors

DEWAS

Dated: 30th June, 1998

VIMEL C. MUTHA

Chairman