



13TH ANNUAL REPORT 2000-2001

**DAMODAR THREADS LIMITED****DAMODAR THREADS LIMITED**

REGISTERED OFFICE : 5 /145 - B, Dr. Viegas Street, Ground Floor, Kalbadevi, Mumbai - 400 002.

BOARD OF DIRECTORS

Shri Arun Kumar Biyani - Chairman

Shri Anil D. Biyani - Whole Time Director

Shri Ajay D. Biyani - Managing Director

Shri Girdharlal S. Daga

BANKERS

Bank of Baroda

Industrial Finance Branch

Mumbai - 400 023.

Bank of Baroda

Daman Branch

Nani Daman (U. T.) - 396210.

AUDITORS

A. J. Baliya & Associates

Chartered Accountants

Mumbai.

PLANT

Plot No. 77 to 80, 89 to 91,

Dabhel Industrial Co-op. Society Ltd.,

Nani Daman, (Union Territory) - 396 210.

DAMODAR THREADS LIMITED**NOTICE TO THE MEMBERS**

NOTICE is hereby given that the 13th Annual General Meeting of Damodar Threads Limited will be held at Singhania Wadi, 187, Dadyseth Agiary Lane, 1st Floor, Chira Bazar, Mumbai - 400 002. on Saturday 29th September, 2001 at 11.30 a.m. to transact the following business :

1. To receive and adopt the Directors' Report and the Audited statement of Accounts together with Auditor's Report thereon for the financial year ended 31st March, 2001.
2. To appoint a Director in place of Shri Anil D. Biyani who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and fix their remuneration.

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. The Register of members and Share Transfer Book of the Company will remain closed from the Friday 21st day of September, 2001 to Saturday 29th September, 2001. (both days inclusive)

Registered Office :
5/145 - B, Dr. Viegas Street,
Ground Floor, Kalbadevi,
Mumbai - 400 002.

By Order of the Board
Damodar Threads Limited
(Arunkumar Biyani)
Chairman

Dated : 27TH JUNE, 2001.

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DAMODAR THREADS LIMITED

DIRECTOR'S REPORT

To the Members,

Your Directors hereby present their 13th Annual Report together with audited statement of accounts for the year ended 31st March, 2001.

(Amount in Rupees)

FINANCIAL RESULTS

	2000-2001 Rs.	1999-2000 Rs.
Sales & Other Income	<u>27,51,03,349</u>	<u>26,13,00,301</u>
Profit / (Loss) before depreciation & Tax	<u>71,12,310</u>	<u>(32,56,037)</u>
Depreciation	<u>48,34,332</u>	<u>63,92,583</u>
Provision for Taxation	<u>0</u>	<u>0</u>
Profit / (Loss) after Tax	<u>22,77,978</u>	<u>(96,48,620)</u>
Profit B/f. from previous year	<u>13,91,546</u>	<u>1,10,70,788</u>
	<u>36,95,524</u>	<u>14,22,168</u>
Less : Previous Year adjustment	<u>295,254</u>	<u>30,622</u>
Profit available for appropriation	<u>33,74,270</u>	<u>13,91,546</u>

APPROPRIATION

Balance Carried forward	<u>33,74,270</u>	<u>13,91,546</u>
	<u>33,74,270</u>	<u>13,91,546</u>

DIVIDEND

In view of inadequate Profits Directors do not recommend any Dividend for the financial year ended on 31st March, 2001.

DIRECTORS

Shri Anil D. Biyani, Director of the Company retires by rotation and being eligible offers himself for reappointment.

AUDITORS

M/s. A. J. Baliya & Associates, Chartered Accountants, Auditors of the Company, hold the office until the conclusion of the ensuing Annual General Meeting and are recommended for reappointment.

LISTING

The Equity Shares of the Company are listed on Mumbai, Jaipur and Calcutta Stock Exchanges.

PARTICULARS OF EMPLOYEE

During the year under review, company has not employed and person who was in receipt of remuneration exceeding the sum prescribed under the Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING AND OUT GO

The Information pursuant to Section 217 (i) (e) of the Companies Act, 1956 read with the companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are annexed.

FOREIGN EXCHANGE EARNING & OUTGO

During the year, there was no export, The company has imported Machinery Parts for Rs. 3,26,497/-

DEMATERIALISATION OF SHARES

With a View to Provide better services to the shareholders, the Company has admitted its equity shares in the Depository system of NSD Ltd. & CSD Ltd and has offered the shareholder the facility to hold shares of the Company in Electronic form for Scripless trading.

AUDIT COMMITTEE

The Board of Directors has constituted Audit Committee Comprised of 3 Directors Viz, Chairman Shri Arunkumar Biyani, Shri G. L. Daga and Shri Ajay D. Biyani to meet the requirement of section 292 A of the Companies Act, 1956.

ACKNOWLEDGEMENT

The Directors would like to express their sincere appreciation of assistance and co-operation received from its bankers during year under review. Directors also wish to place on record their deep appreciation of devoted services rendered by all employees of the Company.

For and on behalf of the Board

(Arun Kumar Biyani)

Chairman

PLACE : MUMBAI

DATED : 27TH JUNE, 2001

DAMODAR THREADS LIMITED**ANNEXURE TO DIRECTORS' REPORT****I. CONSERVATION OF ENERGY**

There are no major areas where energy conservation measures were viable. However, all possible efforts were made to conserve through improved operational methods.

II. RESEARCH AND DEVELOPMENT**a. Specific areas in which R & D was carried out by the Company.**

The Company is actively engaged in product upgradation design development and new product development.

b. Benefits derived as a result of the above R & D

Improved product designs resulted in higher value added products which achieved better realisations.

c. Future plan of action

Emphasis on the above activities will be an on going exercise.

d. Expenditure on R & D

Since the expenditure incurred on research and developed activities were not substantial, no separate account for the same was being maintained.

III. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Since the Company's products are being development by an in-house R & D team, no further information under this head is required to be given.

IV. FOREIGN EXCHANGE EARNING AND OUTGO**a. Initiatives taken to increase exports and export plans**

Your Company has been in constant touch with various customers around the world. We do hope that our regular follow-up will result in order from other countries also.

b. Development of new export markets for synthetic yarn.

Your Company is constantly exploring possibilities of exporting its products to new markets. This is an on going process.

c. Total Foreign Exchange Used Earned

The information on the above is given in Notes on Accounts (Schedule - O to the Accounts)

For and on behalf of the Board

(Arunkumar Biyani)
Chairman

PLACE : MUMBAI

DATED : 27TH JUNE, 2001



DAMODAR THREADS LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF DAMODAR THREADS LIMITED

We have audited the attached Balance Sheet of Damodar Threads Limited as at 31st March, 2001 and also the Profit and Loss Account of the Company for the year ended on that date, annexed thereto, and report that :

1. We have obtained all the information and explanations to the best of our knowledge and belief were necessary for the purposes of our audit;
2. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of the books;
3. The Balance Sheet and Profit & Loss account dealt with by this report are in agreement with the books of account;
4. In our opinion, the Balance Sheet and Profit and Loss Account complies with the Accounting Standards referred in section 211(3C) of the Companies Act, 1956;
5. In our opinion and based on information and explanations given to us, none of the directors are disqualified as on 31st March, 2001 from being appointed as directors in terms of clause(g) of sub section (1) of section 274 of the Companies Act, 1956.
6. (i) The Company has yet to reconcile and ascertain the amount of unpaid / unclaimed dividend for the earlier years and hence no special account namely "Unpaid Dividend Account" in term of Section 205 A of the Companies Act, 1956 could be opened.
(ii) The future liability for gratuity payable in accordance with the provision of the Payment of Gratuity Act, 1972 has neither been provided nor ascertained. The same is accounted for on cash basis.

Subject to above in our opinion and to the best of our information and according to the explanations given to us, the accounts together with notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :

(a) In the case of the Balance Sheet of the state of affairs of the company as at 31st March, 2001.
and

(b) In the case of the Profit and Loss Account, of the Profit for the year ended on that date.

As required by the Manufacturing and other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we give a statement on the matters specified in paragraphs 4 and 5 of the said Order :

- i) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management at the end of year and no material discrepancies were noticed on such verification.
- ii) The fixed assets have not been revalued during the year.
- iii) The stock of finished goods, stores and raw-materials have been physically verified by the management at reasonable intervals during the year.
- iv) In our opinion and according to information and explanations given to us, procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- v) There were no material discrepancies noticed on physical verification of stocks as compared to book records.
- vi) In our opinion, on the basis of our examination of the stock records, the valuation of stock is fair and proper in accordance with the normally accepted accounting principles, and is on the same basis as in the preceding year.
- vii) The Company has taken unsecured loans from companies, firms and other parties listed in the register maintained under section 301 of the Companies Act, 1956 (1 of 1956), and from the companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956 (1 of 1956). The rate of interest and other terms and conditions of such loans are not prima facie, prejudicial to the interest of the company.