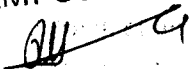


# DHANLAXMI COTEX LIMITED

CERTIFIED TRUE COPY  
For DHANLAXMI COTEX LIMITED

  
DIRECTOR / AUTHORISED SIGNATORY.



## 16th ANNUAL REPORT

2001-2002

## DHANLAXMI COTEX LIMITED

### 16TH ANNUAL REPORT

#### Board of Directors

**Shri Ramautar Jhawar - Chairman & Managing Director**

**Shri Mahesh Jhawar**

**Smt. Radhika Sarda**

#### Bankers

**ABN-Amro Bank**

**Bank of India**

**Bank of Baroda**

**Citi bank Ltd.**

**HDFC Bank Ltd.**

**State Bank of Travancore**

**Syndicate Bank.**

**The Nedungadi Bank Ltd.**

#### Auditors

**M/s. S.G.Kabra & Co.**

**Chartered Accountants**

**Wavell House, 1st Floor, Board of Directors**

**1st Dhobi Talao Lane,**

**Mumbai - 400 002.**

#### Registered & Administrative Office

**285, Princess Street,**

**C.J. House, 2nd Floor,**

**Mumbai - 400 002.**

#### Works

**Sector B-2/15/16;**

**Parvati Co-op. Industrial Estate,**

**Post Yadrav, Tal. Shirol**

**Dist. KOLHAPUR (M.S.)**

**DHANLAXMI COTEX LIMITED****NOTICE**

NOTICE is hereby given that the Sixteenth Annual General Meeting of the Members of Dhanlaxmi Cotex Limited will be held at 285, Princess Street, 2nd Floor, Chaturbhuj Jivandas House, Mumbai - 400 002 on Saturday, the 28th day of September 2002 at 4.00 P.M. to transact the following business.

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2002 and the Profit & Loss Account for the year ended on that alongwith the Reports of the Directors and Auditors thereon
2. To appoint a Director in place of Shri Mahesh Jhavar, who retires by rotation, and being eligible offers himself for re-appointment
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS :**

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

**"RESOLVED THAT** Smt. Radhika Sarda, who was appointed as an Additional Director of the Company on 30th October 2001 and who pursuant to the provision of Section 260 of the Companies Act, 1956, vacates her office at ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company whose office shall be liable to retirement by rotation."

**By Order of the Board of Directors**

Place : Mumbai.  
Dated : 9th August, 2002.

  
**Ramautar Jhavar**  
**Chairman & Managing Director**

**REGISTERED OFFICE :**

285, Princess Street, 2nd Floor,  
Chaturbhuj Jeevandas House,  
Mumbai - 400 002.

**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. Proxies, if any, in order to be effective must be received at the Company's Registered Office not later than 48(fortyeight) hours before the time fixed for holding the Meeting.

3. The Register of the Members and Share Transfer Books will remain closed from Thursday, 26th September, 2002 to Saturday, 28th September, 2002 (both days inclusive).
4. Members are requested to bring their copies of the Annual Report at the time of attending the Annual General Meeting.
5. Any queries relating to the accounts should be notified to the Company at least 7 days before the date of Annual General Meeting.

6. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 is annexed herewith.

**ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR RE - APPOINTMENT OR SEEKING ELECTION AT THE ANNUAL GENERAL MEETING.**

Following is the biographical data about the Directors Seeking re - appointment or recommended for appointment as a Director

1. Mr. Mahesh Jhawar, Aged 41 years, qualifications B.Com, experience 15 years.

The details of other Directorship held by Mr. Mahesh Jhawar as on 31st March 2002.

Sr. No.	Name of the Company
1	Dhanlaxmi Fabrics Ltd.

1. Smt. Radhika Sarda, Aged 23 years, qualifications B.Com, experience 1 years.

The details of other Directorship held by Smt. Radhika Sarda as on 31st March 2002.

Sr. No.	Name of the Company
	NIL

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.**

**Item No. 4:**

Smt. Radhika Sarda was appointed as an additional Director of the Company with effect 30th October 2001. Pursuant to the provision of Section 260 of the Companies Act, 1956, the said Director would vacate her office at the ensuing Annual General Meeting of the Company. The Company has received notice from a shareholder pursuant to Section 257 of the said act proposing the candidature of Smt. Radhika Sarda for the office of Director of the Company.

The aforesaid resolution for appointment of Smt. Radhika Sarda as a Director of the Company is recommended to the members for their approval.

Except Smt. Radhika Sarda, no other Director shall be deemed to be concerned or interested in the aforesaid resolution.

Place : Mumbai

Dated : 30th Aug, 2002.

**On behalf of the Board of Directors**

  
**Ramautar Jhawar**

**Chairman & Managing Director**

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**DHANLAXMI COTEX LIMITED****DIRECTORS' REPORT**

The Directors have pleasure in presenting the Sixteenth Annual Report on the business operations of the Company alongwith their Statement of Audited Accounts for the year ended 31st March, 2002.

**FINANCIAL RESULTS :-**

	<b>(Rupees in Lacs)</b>	
	<b>2001-2002</b>	<b>2000-2001</b>
Sales and Other Income	<u>7457.16</u>	<u>17051.97</u>
Profit before Depreciation	<u>21.56</u>	<u>196.95</u>
Less : Depreciation	<u>12.87</u>	<u>12.80</u>
Profit before Tax	<u>8.69</u>	<u>184.15</u>
Less : Provision for Tax	<u>0.03</u>	<u>0.00</u>
Add : Deferred Tax Asset Adjustment	<u>0.70</u>	<u>0.00</u>
Profit after Tax	<u>9.36</u>	<u>184.15</u>
Add : Balance brought forward from last year	<u>293.69</u>	<u>109.54</u>
Balance Carried forward to Balance Sheet	<u>303.05</u>	<u>293.69</u>

**OPERATIONS :**

The Income from Operations for the financial year under review amounted to Rs 7457.16 Lacs registering an Decrease of apporx.56.27% over the previous year. The Company has earned Profit before Tax of Rs. 8.69 Lacs for the year under review as compared to Rs. 184.15 lacs for the previous year after providing for Depreciation of Rs. 12.87 Lacs and taxation of Rs. - 0.03 Lacs. In view of the prevailing unforeseen circumstances, your Directors are optimistic that the Company would be able to report better performance during the current year.

**DIVIDEND :**

Due to conserve the resources for the future operation, the Board of Directors has decided not to declare any dividend for the year ended 31st March, 2002.

**CORPORATE GOVERNANCE :**

The Securities and Exchange Board of India (SEBI) has introduced a comprehensive code on Corporate Governance. The code is required to be implemented on or before 31st March, 2003. It will be the endeavor of your Directors to ensure its full compliance by 31st March, 2003.

**DIRECTORS :**

During the year under review, Mr. Bhawarlal Sarda resigned from the Board in view of his pre-occupations with other activities. Your Directors would like to place on record their sincere gratitude for the invaluable contributions made by him during his respective tenure as Directors of the Company.

Smt. Radhika Sarda was appointed as an Additional Director of the Company by the Board of Directors of the Company at their Meeting held on 30th October 2001. By virtue of the provisions of section 260 of the Companies Act, 1956, Smt. Radhika Sarda holds office as a Director of the Company till the date of the ensuing Annual General Meeting of the Company. The Company in the meantime, has received a Notice under Section 257 of the Companies Act, 1956, from a shareholder of the Company proposing the candidature of Smt. Radhika Sarda as a Director of the Company. Necessary resolution has been proposed for approval of the Shareholders of the Company in this regards.

In accordance with the provisions of the Companies Act, 1956 and the Articles of the Association of the Company, Mr. Mahesh Jhavar, Directors of the Company, shall retire by rotation at the forth coming Annual General Meeting and is eligible for re-appointment. The Board of directors recommendeds his re-appointment

#### AUDITORS :

The Auditors, M/s. S. G. Kabra & Co., Chartered Accountants retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board of Directors recommend his re-appointment.

#### AUDITORS REPORT :

Observations made in the Auditors Report are self explanatory and therefore do not call for any further comments under Sections 217(3) of the Companies Act, 1956.

#### FIXED DEPOSITS :

During the year under review, the Company has not accepted/renewed any deposits within the meaning of the Section 58A of the Companies Act, 1956 and rules made there under.

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

Particulars as required 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 are given in the statement annexed to and forming part of this Report as **Annexure I**

#### DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to the provision of Section 217(2AA) of the Companies Act, 1956, your Director confirm the following

- i. That in preparation of account for the financial year ended 31st March, 2002, the application accounting standards have been followed along with proper explanation relating to the material departures;
- ii. That the Directors of the Company have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2002 and of the profit of the Company for the year ended 31st March, 2002;
- iii. That the Directors of the Company have taken proper and sufficient care for the maintenance of adequate accounting record in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. That the Directors of the Company have prepared the accounts of the Company for the financial year ended 31st March, 2002 on going concern basis;

#### PERSONNEL :

Statement containing particulars of employees as required under Section 217 (2A) of the Companies Act, 1956, is not given as none of the employees of the Company is covered under the provision of the said section

#### ACKNOWLEDGMENTS :

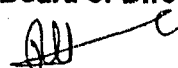
The Directors wish to express their gratitude to the bankers, clients and all the business associates for their continuous support to the Company and to the Shareholders for the confidence reposed in the Company's management.

The Directors also convey their appreciation to the employees at all levels for their enormous personal efforts as well as collective contribution.

Place : Mumbai

Dated : 5th Aug, 2002.

On behalf of the Board of Directors



**Ramautar Jhavar**  
Chairman & Managing Director

## Annexure - I to Directors' Report

## Conservation of Energy, Technology Absorption and Foreign Exchange Earnings &amp; Outgo :

Information in accordance with the Companies (Disclosure of Particulars in the Report of Board of Director's Rules, 1988 is furnished hereunder :

## A) Conservation of Energy :

Form disclosure of particulars with respect to conservation of energy :

## (a) Power Consumption

Year Ended  
31-03-2002

Year Ended  
31-03-2001

## 1. Electricity

## (a) Purchased

Current Year/Previous Year)

UNIT

0.00

104892.00

Total Amount ( Rs.)

0.00

316202.00

Rate per Unit ( Rs.)

0.00

3.01

## (b) Own Generation

## (i) Through Diesel Generator

Units (kwh)

Unit per Ltr. of Diesel Oil Cost/Unit ( Rs.)

## (ii) Through Steam Turbine/Generator

Units (kwh)

Unit per Ltr. of Fuel Oil/Gas Cost/Unit ( Rs.)

## 2. Coal (Specify quality and where used)

Quantity (Tonnes)

Total Amount ( Rs.)

Average Rate ( Rs./ Tonne)

## 3. Turbine Oil

Quantity (K.Ltrs.)

Total Amount ( Rs.)

Average Rate ( Rs. / K Ltr.)

## 4. Others/Internal generation (Please give details)

Quantity

Total Amount ( Rs.)

Rate per unit



Consumption per unit of Production

Measures (if any)

Current Year (1)

Previous Year (2)

Measures (with) details unit

Cost (Production)

5112.70

205244.90

Consumption /

0.00

316202.00

Consumption per meter

0.00

1.54

Consumption /

Cost (specify quality)

Measures (specify)

During the year the Company had strict control on wasteful electrical consumption. Lights and other power are switched off wherever not necessary.

### B) Technology Absorption :

The Company does not use any technology for its existing business.

### C) Foreign Exchange Earnings & Outgo :

There was no foreign exchange earnings or outgo by way of either export, imports or expenses.

For and on behalf of the Board of Directors

Place : Mumbai

Date : 9th Aug, 2002.

  
Ramautar Jhawar  
Chairman & Managing Director

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**AUDITORS' REPORT**

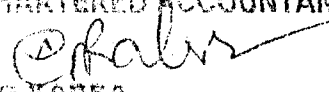
TO

The Shareholders.

**DHANLAXMI COTEX LIMITED**

1. We have audited the attached Balance Sheet of Dhanlaxmi Cotex Limited as at 31st March, 2002 and also the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion in these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principals used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. 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 enclosed a statement on the matters specified in paragraphs 4 & 5 of the said order.
4. Further to our comments in the statement referred to in para (3) above we report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - ii. In our opinion, proper books of account as required by the law have been kept by the company so far as it appears from our examination of those books & records.
  - iii. The Balance Sheet and Profit & Loss Account are in agreement with the books of account.
  - iv. In our opinion the Balance Sheet and Profit & Loss Account comply with the mandatory Accounting standards referred to in section 211(3C) of the companies Act, 1956.
  - v. On the basis of written representation received from the Directors, as on 31st March, 2002 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2002 from being appointed as a Director in term of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
  - vi. In our opinion and to the best of our information and according to the explanation give to us, the Balance Sheet and Profit & Loss Account read together with the schedules and notes there on and accounting policies give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principals generally accepted in India.
    - a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2002; and
    - b) In the case of Profit & Loss Account, of the profit for the year ended on the date.

FOR S.G. KABRA &amp; CO.

**CHARTERED ACCOUNTANTS**
  
**S.G. KABRA**  
 Proprietor

Place : Mumbai

Dated : 9th Aug, 2002.



# 9 #

**STATEMENT REFERRED TO IN PARAGRAPH (3) OF OUR REPORT OF EVEN DATE.**

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The Management has conducted physical verification of fixed assets during the year and no material discrepancies have been noticed on such physical verification.
2. None of the Fixed Assets have been revalued during the year.
3. Physical verification of finished goods and raw materials has been conducted by the management during the year. In our opinion, frequency of verification is reasonable.
4. The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
5. The discrepancy noticed on verification between the physical stocks and book records were not material and the same have been properly dealt with in the books of account.
6. On the basis of our examination of stock records, we are of the opinion that valuation of stocks is fair and proper and in accordance with the normally accepted accounting principles.
7. The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 or from the companies under the same management as defined under section 370 (1B)(non-operative) of the Companies Act, 1956.
8. The Company has not granted loans, secured or unsecured, to the Companies, firms or other parties listed in the Register maintained under section 301 and/or to the Companies under the same management as defined under section 370(1B)(non-operative) of the Companies Act, 1956.
9. In respect of loans and advances the Company has given loans and advances in the nature of loan, parties have repaid the principal amounts as stipulated and have also been regular in the payment of interest. However, the Company has not granted any loans or advances on the basis of securities by way of pledge of Shares, Debentures and other Securities.
10. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchase of stores, raw-materials including components, plant & machinery equipment and other assets and for sales of goods.
11. In our opinion and according to the information and explanations given to us, transaction of purchase of goods and materials and transaction of sale of goods, materials and services made in purchase of contract or agreements entered in register maintained under section 301 of the Companies Act 1956 aggregating during the year to Rs. 50000/-or more in respect of each party have been made at price which are reasonable having regard to prevailing market price as available with the Company for such goods & materials or prices at which transactions for similar goods have been made with other parties.
12. Unserviceable or damaged raw materials and finished goods are determined and provision for loss, if any has been made in the accounts.
13. The Company has not accepted any deposits from public.
14. In our opinion the Company has no realisable by-products and scrap.