



SAMSAT
YARN PRODUCTS
LIMITED

1998-99

15th ANNUAL REPORT



BOARD OF DIRECTORS

Surendra T. Savai	<i>Chairman & Managing Director</i>
Ajay S. Savai	<i>Joint Managing Director</i>
S. M. Dudani	<i>Nominee Director</i>
C. B. Gemavat	<i>Director</i>
Pramit M. Shah	<i>Director</i>
Dr. Chandresh K. Painter	<i>Director</i>
Manindra N. Saha	<i>Director</i>

Bankers

Bank of India

Auditors

Vipin Batavia & Co. Chartered Accountants

Registered Office :

195, Walkeshwar Road, Teen Batti, Mumbai-400 006.

Reportjunction.com

Works :

Unit I, Unit IA& Unit IB
10-A, Govt, Industrial Estate,
Phase II, Piperia, Silvassa,
Dadra & Nagar Haveli.

Unit II
79/1 Amli Village
Vapi Silvassa Road,
Amli, Silvassa.

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MANAV YARN PRODUCTS LIMITED



FIFTEENTH ANNUAL REPORT NOTICE

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Members of Manav Yarn Products Limited will be held on Monday, 9th August, 1999 at 12.00 Noon at Tarabai Hall, 97, Marine Drive, Mumbai 400 002, to transact the following business :

1. To consider and adopt the Audited Balance Sheet as at 31st March, 1999 and the Profit and Loss Account for the year ended on that date together with Schedules, Notes, Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Mr. C. B. Gemavat, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :

4. To consider and if thought fit to pass, with or without modifications, the following resolution as a Special Resolution :
 "RESOLVED THAT subject to such consents, permissions or sanctions as may be required from any authority, statutory or otherwise, particularly from the Securities Exchange Board of India (SEBI) and pursuant to section 61 and all other applicable provisions, if any, of the Companies Act, 1956 and Guidelines, Rules framed by SEBI in this regard, the Board of Directors of the company be and is hereby authorised to seek voluntary Delisting of its equity shares listed at the Ahmedabad Stock Exchange and the Vadodara Stock Exchange Ltd. at Ahmedabad and Vadodara respectively and for that matter to approach the Ahmedabad Stock Exchange and Vadodara Stock Exchange Ltd. and/or any other concerned authority (ies) seeking its (their) approval for Voluntary Delisting of the equity shares from the said stock exchanges."
 "RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to settle all questions, difficulties or doubts as may arise in regard to the aforesaid Voluntary Delisting of shares as it may in its absolute discretion deem fit without being required to seek any further approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval expressly by the authority of this resolution."
 "RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to settle all necessary steps in this regard in order to comply with all the legal and procedural formalities and further to authorise any of its Committee or any of its Directors or any of the Officers of the Company to do all such acts, deeds or things to give effect to the above said resolution."

Place : Mumbai,

Dated : 14th May, 1999

By Order of the Board

SURENDRAT. SAVAI
Chairman & Managing Director

NOTES :

1. A Member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself and a Proxy need not be a member. The Proxy Form duly completed and signed should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company will be closed from Friday 6th August, 1999 to Monday 9th August, 1999 (both days inclusive).
3. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 is annexed hereto.

ANNEXURE TO NOTICE

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

As the members are aware that the equity shares of the company are listed with the Stock Exchanges at Ahmedabad, Vadodara & Mumbai. It is proposed that the Company should seek Voluntary Delisting of its Equity Shares from the Ahmedabad and Vadodara Stock Exchanges on account of the following reasons :

1. There is negligible trading of the Equity Shares of the Company at the said Stock Exchanges.
2. There are negligible number of shareholders in the whole of Gujarat State.
3. The Voluntary Delisting will reduce paper work as it will not be required to deal with these Stock Exchanges after delisting. Further at the time of public issue of the Company in terms of the Prospectus dated 20-4-1992 it was mentioned to provide easy liquidity to the prospective investors. However there is no trading at Ahmedabad & Vadodara Stock Exchanges and number of shareholders are negligible from the region falling under the jurisdiction of Stock Exchanges at Ahmedabad & Vadodara. Moreover, with the advent of electronic transaction, an investor can buy/sell securities in any of the Exchange (s) in the country without any problem. So there is no justification to continue listing with Ahmedabad and Vadodara Stock Exchanges and incurring avoidable expenditure.

The Board of Directors has decided to seek Voluntary delisting of the Equity Shares of the Company listed at the said Stock Exchanges. The Board therefore proposes the resolution as set in item No. 4 of this Notice for approval as a special resolution read with provisions of the Companies Act, 1956 and pursuant to the guidelines issued/Rules framed by SEBI in this regard.

The Directors recommend the resolution for acceptance. None of the Directors is interested in this resolution.

Place : Mumbai,

Dated : 14th May, 1999

By Order of the Board
For **MANAV YARN PRODUCTS LTD.**

SURENDRAT. SAVAI
Chairman & Managing Director

MANAV YARN PRODUCTS LIMITED



DIRECTORS' REPORT

To,
The Members,
Manav Yarn Products Limited

Your Directors hereby present the Fifteenth Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 1999.

1. FINANCIAL RESULTS :

	1998-99	1997-98
Sales	11,26,98,233	15,57,04,412
Profit/(Loss) before Depreciation	(4,41,63,367)	45,14,474
Less : Depreciation	2,68,43,680	42,14,602
Profit/(Loss) after Depreciation	(7,10,07,047)	2,99,872
Less : Provision for Income Tax (MAT)	--	32,000
Total Profit/(Loss) for the year	(7,10,07,047)	2,67,872
Add : Excess Tax Provision	500	4,432
Profit/(Loss) for the year after Dep. and Income Tax	(7,10,06,547)	2,72,304
Less (Add) : Surplus brought forward from previous year	1,96,49,596	1,93,77,292
Balance Carried over to Balance Sheet	(5,13,56,951)	1,96,49,596

2. PERFORMANCE :

During the year, the production of yarn had gone down from 1819.93 M.T. to 1305.93 M.T. This production was for 9 months period from April, 98 to December, 98. The Company had stopped production from January, 99 in view of widening gap between the sales price/Kg. & Purchase price/Kg. of yarn and the Company started incurring heavy losses.

In view of above, your Directors decided to offer manufacturing activities to outsiders on a job work basis whereby to recover certain costs & so as to reduce incurring further losses.

The above scenario was mainly due to

I) Recession prevailing world wide affecting Indian economy also.

II) Uncertainty prevailing in Indian political front at the centre.

III) Financial stringency continuing all around the country and our industry in particular resulting into non-recovery of substantial amount of receivables. Consequently, the Company's entire net worth has been eroded. Your company was so far making profits and only the recent adverse market & economic conditions has lead to heavy losses. However, your Company is confident of surviving or tiding over the bad conditions. Hence, your Company proposes to make an application to the Board for Industrial and Financial Reconstruction for the purpose of revival. Your Company will also approach financial institutions and its bankers for re-scheduling of repayments and lowering of the interest rates in order to make the Company viable. Your Directors are confident to turnaround the Company and make it profitable once again with necessary efforts and assistance for the same.

3. DIVIDEND :

In view of the losses incurred during the year under report, your Directors regret their inability to recommend any dividend.

4. DIRECTORS :

During the year under report, Mr. Jayantilal R. Shah & Mr. S. C. Kothari, Directors of the Company, resigned owing to their personal reasons. Mr. C. B. Gemavat, a Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

5. AUDITORS :

M/s. Vipin Batavia & Co., Chartered Accountants, retire from the office of Auditors and being eligible, offer themselves for reappointment.

6. EXPLANATIONS TO AUDITORS REMARK :

1. PARA 5 (b) REGARDING WRITING OFF BAD DEBTS :

Because of adverse economic & market conditions, many of the customers/agents have become not traceable at their regular addresses inspite of our best efforts and issue of legal notices. Since the texturising industry continues to be in the spiral of recession, recovery of these debts does not appear to be possible and hence these debts are written off.

2. PARA 7 (xv) REGARDING INTERNAL AUDIT SYSTEM :

The Company is in the process of finalising the appointment of an internal Auditor.

7. CHANGE IN METHOD OF PROVIDING DEPRECIATION :

The Company has been charging depreciation on its plant & Machinery at the rates applicable to "continuous process plant" on SLM basis as per the rates prescribed by amended schedule XIV w.e.f. 16-12-1993. During the year, it was opined that our texturising unit does not fall in the definition of "Continuous process unit". Hence, accordingly, the depreciation on P & M has been reworked at general rates applicable to SLM on triple shift basis. It was found that the depreciation of Rs. 1,35,14,900/- on P & M was provided short in earlier years. On the basis of this information and considering the realistic value of all its assets, as valued by approved valuer, the Board of Directors decided to provide depreciation on the basis of W.D.V. Method as against Straight Line Method from the date of commencement of commercial production in place of just providing the short provision on P & M. As a result of change, the depreciation on all its depreciation assets works out to be short provided for earlier years, by Rs. 2,06,14,809/-. The written down book value of all its depreciable assets will now represent the realistic values.

8. PARTICULARS OF EMPLOYEES :

There were no employees pursuant to Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended.

9. CONSERVATION OF ENERGY ETC. :

The required information is given in the prescribed form 'A' and as annexure to this report.

10. ACKNOWLEDGEMENT :

Your Directors wish to express their sincere appreciation to employees at all levels for their contribution and to the Bankers, share holders and Government Agencies for their continued support.

For and on behalf of the Board

Place : Mumbai
Dated : 14th May 1999

SURENDRA T. SAVAI
Chairman & Managing Director