



Report Junction

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YARN PRODUCTS
LIMITED

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FOR MANAV YARN PRODUCTS LTD.

DIRECTOR

2001-2002

18th ANNUAL REPORT



BOARD OF DIRECTORS

Surendra T. Savai	<i>Chairman & Managing Director</i>
Ajay S. Savai	<i>Joint Managing Director</i>
C. B. Gemavat	<i>Director</i>
Dr. Chandresh K. Painter	<i>Director</i>

Bankers

Bank of India

Auditors

Vipin Batavia & Co. *Chartered Accountants*

Registered Office :

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

Works :

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

Contents	Pages
Notice	4
Directors' Report	5
Auditors' Report	6
Balance Sheet	8
Profit & Loss Account	9
Notes on Accounts	15
Company Information	17
Cash Flow Statement	18



EIGHTEENTH ANNUAL REPORT NOTICE

NOTICE is hereby given that the Eighteenth Annual General Meeting of the Members of Company will be held on Monday, 30th September, 2002 at 10.30 a.m. at Green Room, Garware Club House, 'D' Road, Churchgate, Mumbai-400 020 to transact the following business :

ORDINARY BUSINESS :

1. To consider and adopt the Audited accounts for the year ended 31st March, 2002 togetherwith 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 :

To consider and if thought fit to pass, with or without modifications, the following resolutions as Ordinary Resolutions.

4. "RESOLVED THAT Mr. Tejas Jamnadas Bakhai be and is hereby appointed as a Director of the Company subject to retirement by rotation."
5. "RESOLVED THAT Mr. Nipun Keshrichand Zaveri be and is hereby appointed as a Director of the Company subject to retirement by rotation."

By Order of the Board

Mumbai

Dated : 21st August, 2002

SURENDRA T. SAVAI
Chairman

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 Monday, 23rd September, 2002 to 5th October, 2002 (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

Item No. 4 & 5

The Board of Directors at their meeting held on 30th March, 2002 had appointed Mr. Tejas J. Bakhai and Mr. Nipun K. Zaveri as Additional Directors of the Company in order to strengthen the Board. Consequently, they hold their offices until the conclusion of the ensuing Annual General Meeting. Notices have been received from some shareholders alongwith deposits proposing their names for appointment as Directors of the Company pursuant to Section 257 of the Companies Act, 1956.

Mr. Surendra Savai and Mr. Ajay Savai, besides the appointee, are interested in the appointment of Mr. Tejas Bakhai being relatives. Mr. Ajay Savai, besides the appointee, is interested in the appointment of Mr. Nipun K. Zaveri, being a relative.

None of the other Directors are interested in these appointments.

By Order of the Board

Mumbai,

Dated : 21st August, 2002

SURENDRA T. SAVAI
Chairman

MANAV YARN PRODUCTS LIMITED



DIRECTORS' REPORT

To,
The Members,
Manav Yarn Products Ltd.

Your Directors present herewith the **Eighteenth Annual Report** of your Company together with the **Audited Accounts** for the year ended 31st March, 2002.

1. FINANCIAL RESULTS :

	<u>2001-2002</u>	<u>2000-2001</u>
Job Work Sales	1,630,000	1,524,331
Profit / Loss before Depreciation	868,404	1,765,604
Less : Depreciation	3,085,385	3,647,843
Loss after Depreciation	(2,218,781)	(1,882,239)
Total loss for the year	(2,218,781)	(1,882,239)
Add : Accumulated losses from previous year	(64,334,433)	(62,454,194)
Balance Carried over to Balance Sheet	<u>66,553,214</u>	<u>(64,334,433)</u>

2. PERFORMANCE :

During the year, under report, the Company had worked on job work basis only and it is becoming increasingly difficult to obtain job work. The Company is accepting job work, even though not remunerative, in order to maintain the Plant and Machinery and the property in working condition. Your Company is trying its best to settle the Bank's dues and hence is trying to sell its Plant, Machinery and other assets to a suitable buyer.

3. DIVIDEND :

In view of the accumulated losses, your Directors regret their inability to recommend any dividend.

4. DIRECTORS :

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.

Mr. Tejas J. Bakhai and Mr. Nipun K. Zaveri were appointed as Additional Directors of the Company by the Board at its meeting held on 30th March, 2002. Notices have been received from some shareholders proposing their names for appointment as Directors of the Company pursuant to Section 257 of the Companies Act, 1956.

5. 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.

6. CONSERVATION OF ENERGY ETC. :

As the Company did not engage itself in manufacturing activities during the year under report, provisions relating to Technology Absorption and Conservation of Energy are not applicable. During the year under report, there were neither earnings nor outgos in foreign exchange.

7. DIRECTORS RESPONSIBILITY STATEMENT :

The Directors confirm :

a) That in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same,

b) That they have selected such accounting policies and applied them consistently and made judgements 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 loss to the Company for that period,

c) That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities,

d) That they have prepared the annual accounts on a going concern basis.

8. COMPANY SECRETARY :

In view of acute financial stringency and huge accumulated losses, the Company is not in a position to appoint a Company Secretary.

9. AUDITORS :

M/s. Vipin Batavia & Co. Chartered Accountants, retire from the office of Auditors at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

10. CORPORATE GOVERNANCE :

The securities and Exchange Board of India (SEBI) has introduced the code of Corporate Governance for implementation by all listed Companies. As per the Listing Agreement with the Stock Exchanges the code is to be implemented by the Company during the year 2002-03, but not later than 31st March, 2003. Your company is in the process of complying with the requirements prescribed on Corporate Governance.

For and on behalf of the Board

Mumbai
Dated : 21st Aug. 2002

SURENDRAT. SAVAI
Chairman

MANAV YARN PRODUCTS LIMITED



AUDITORS' REPORT

To,

The Members of

Manav Yarn Products Limited

We have Audited the attached Balance Sheet of Manav Yarn Products Limited as at March 31, 2002 and also the Profit and Loss account of the Company 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 on these financial statements based on our audit.

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 principles used and significant estimates made by Management, as well as evaluating the overall presentation of the financial statement. We believe that our audit provides a reasonable basis for our opinion.

As required by the Manufacturing and other companies (Auditors, Report) order, 1988 issued by the Company Law Board in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a Statement on the matters specified in paragraph 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that :

1. We have obtained all the information and explanation which to the best of our knowledge and belief, were necessary for the purpose 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 of Account.
3. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the Books of Account.
4. In our opinion, the Profit & Loss Account and Balance Sheet dealt with by this report are in comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956, Except for non provision of Bank interest gratuity liability as reported in clause I & IV of Para - 6.
5. On the basis of the written representations received from the directors, we report that none of the directors are disqualified as on 31st March, 2002 from being appointed as directors in terms of Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956.

6. We further report that :

I) The Company has not provided interest on outstanding all secured loans from Bank of India. As explained by the management the interest payable amount cannot be quantified since compromise proposal under one Time Settlement sanctioned by the Bank is still under process.

II) During the year the Company has refunded unpaid share application money of Rs. 1,16,000/-. We are unable to verify the same as the original records are not available, as informed to us, have been destroyed by white ants.

III) As explained to us during the year Company has recovered Rs. 8,49,694/- from Debtors and accounted accordingly, which were written off in earlier years. We are unable to verify the same, as original records are available as informed to us, have been destroyed by white ants.

IV) No provision has been made in respect of accrued gratuity liability (Refer Note No. III, Notes to the Accounts, Sch. 18).

V) The Accounts of the Company have been prepared on the basis of 'going concern' concept. Although 100% erosion of the net worth of the company has taken place as reported in earlier years and further loss is added during the year. The operations of the company have nevertheless continued and are being carried on till date on job work basis. Under the circumstances in the opinion of the management the Company is a going concern on the date of Balance Sheet.

7. Due to the reasons stated above in para 4 & 6, in our opinion and to the best of our information and according to the explanation given to us, the said Balance sheets and the Profit & Loss A/c. read together with the notes thereon, gives the information required by the Companies Act, 1956, in the manner so required, But are not in cofirmity with the accounting principles generally accepted in India and do not give a true and fair view :

- (a) In the case of Balance Sheet, of the State of Affairs of the Company as at March 31, 2002.

AND

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

For VIPIN BATAVIA & CO.
CHARTERED ACCOUNTANTS

Place : Mumbai
Dated : 21-8-2002

V. P. BATAVIA
PROPRIETOR