

2001-2002

19th ANNUAL REPORT

Report  junction.com

SANRHEA

TECHNICAL TEXTILES LIMITED



**DET NORSKE VERITAS
MANAGEMENT SYSTEM CERTIFICATE**

Certificate No. RIN500-AQ-2148

This is to certify that the Quality Management System
of

SANRHEA TECHNICAL TEXTILES LTD.

at

Dr. Ambedkar Road, Kalol-382 721, India

has been found to conform to the Quality Management System Standard :

ISO 9002, 1994

This Certificate is valid for the following product or service ranges :

MANUFACTURE AND SUPPLY OF INDUSTRIAL WOVEN FABRICS AND TWISTED YARNS

Original Certification date : May 25th, 2001

Place and date : New Delhi, May 25th, 2001



This Certificate is valid until :
December 15th, 2003

**Accredited
by the RvA**

for the Accredited Unit :
DNV Certification B.V., The Netherlands

Compliance to the Standard in respect to the indicated is
verified by the DNV approved registered Team Leader :

Manish Trivedi
Lead Auditor

A. Venkataram
Management Representative

Lack of fulfilment of conditions as set out the Appendix may render this Certificate invalid.

ERT Q 2000-07-01

DNV Certification B. V. Haastrechtstraat 7, 3079 DC Rotterdam, The Netherlands, Tel.INT.:+31 10 2922 688, FAX:+31 10 4796 768

ANNUAL REPORT 2001-2002

BOARD OF DIRECTORS :	SHRI TUSHAR PATEL	<i>MANAGING DIRECTOR</i>
	SHRI VIMAL AMBANI	
	SHRI ISHWARBHAI PATEL	
	SHRI PAVAN BAKERI	
	SHRI P. D. KIMOTHI	<i>GIIC NOMINEE</i>
BANKERS :	BANK OF INDIA	
	UNITED BANK OF INDIA	
	CITI BANK	
AUDITORS :	KANTILAL PATEL & CO.	
	CHARTERED ACCOUNTANTS,	
	AHMEDABAD.	
REGD. OFFICE :	PARSHWANATH CHAMBERS, 2ND FLOOR,	
	NEAR NEW RESERVE BANK OF INDIA BUILDING	
	INCOME TAX, ASHRAM ROAD,	
	AHMEDABAD-380 014	

Report  junction.com

CONTENT	PAGE NO.
Notice	3
Directors' Report	4-5
Annexure to Directors' Report	6
Auditors Report	7
Balance Sheet	8
Profit & Loss A/c	9
Schedules	10-16
Notes on Accounts	16-19
Balance Sheet Abstract	19
Cash Flow Statement	20

Sanrhea Technical Textiles Limited
NOTICE

NOTICE is hereby given that the Annual General Meeting of the members of the Company will be held on Wednesday, the 25th day of September, 2002 at 10.00 a.m. at Parshwanath Chambers, 2nd Floor, Nr. New RBI Building, Income tax, Ashram Road, Ahmedabad-380 014 to transact the following business.

ORDINARY BUSINESS:

- (1) To receive, consider and adopt the Audited Profits & Loss Account for the financial year ended on 31st March, 2002 and Balance Sheet as at that date and Report of the Board of Directors and Auditors thereon.
- (2) To appoint a Director in place of Shri Ishwar Patel who retires by rotation and being eligible, offers himself for re-appointment.
- (3) To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting and to authorise the Board of Directors to fix their remuneration. In this context, to consider and if thought fit to pass with or without modifications following as an ordinary resolution.

"RESOLVED that M/s. Kantilal Patel & Co., Chartered Accountants be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting on such remuneration as may be decided by the Board of Directors of the Company.

On behalf of the Board

Date : June 29, 2002
Place : Ahmedabad

TUSHAR PATEL
MANAGING DIRECTOR

Notes :

A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such a proxy need not be a member of the Company.

All valid proxies must be deposited at the Regd. Office of the company at least 48 hours before the commencement of the meeting.

Members are requested to bring their copies of Annual Report to the meeting.

Register of members and share transfer books of the company will remain closed from 23/9/2002 to 24/9/2002 (both days inclusive).

ANNUAL REPORT 2001-2002**DIRECTOR'S REPORT**

Dear Members ;

Your Directors have pleasure in presenting the 19th Annual Report together with the Audited Accounts of the Company for the year ended on 31st March, 2002

FINANCIAL RESULTS :

	2001-2002 (Rs. lacs)	2000-2001 (Rs. lacs)
Sales & Other Income	497.09	1531.72
Gross Profit/(Loss)	126.39	(7.22)
Less :		
Depreciation	49.57	57.78
Finance charges	20.44	58.99
Misc. Expenditure w/off	4.49	4.49
Loss on Sale of Shares/		
Assets (Net)	16.48	0.80
Bad Debts/Advances w.off	99.64	218.33
Provision for taxation	---	---
Net Profit /(Loss)	(64.23)	(347.61)
Income tax written off	0.24	0.54
Balance for the year	(64.47)	(348.15)
Balance of P & L Account B/F	(589.02)	(240.87)
Appropriations :		
Tran. to General Reserves	---	---
Balance of Profit/loss		
carried forward	(653.49)	(589.02)

DIVIDENDS :

Yours directors are unable to propose any dividend on Equity Shares of the company due to loss.

OPERATIONS

During the year under review Sales and Other Income has been posted at Rs. 497.09 lacs and the company has incurred Gross Profit of Rs.126.39 lacs. After Depreciation of Rs.49.57 lacs, Finance Charges Rs. 20.44lacs, provision for doubtful debts and advances of Rs.99.64 lacs and Misc.Exp. and income tax written off amounting to Rs.4.73 lacs, the company has incurred Net loss of Rs. 64.47 lacs.

During the year under review, due to communal riots in the state, the company's operations remained hampered for a couple of months and production and operations were badly affected. Moreover, the performance of the company was adversely affected because of provision for bad-debts and advances to the tune of Rs.99.64 lacs and increase in expenditure. Your directors are optimistic of achieving better results in the coming years.

MARKET :

During the year under review, the trend of the Economy in general and Market conditions in the Textile Industry as a whole continued to be sluggish. Due to Scams of Co-operative sector banks, confidence of the public was shaken and there was overall liquidity crunch. The Govt. also didnot take any positive steps to revive the recessionary conditions prevailing in the Textile Sector. Apart from Western Region, the company has been able to capture markets in the North as well as south India and was able to establish the new products in the Industrial Fabrics Division.

INSURANCE :

The company has taken sufficient insurance for the properties against all risks of including fire, strike, riot and earthquake.

DIRECTORS:

Shri Ishwar Patel Director of the company retires by rotation and being eligible for reappointment offers himself for reappointment.

During the year under review, Shri Deepak Navneetlal resigned from directorship of the company due to pre-occupation and Shri Gautambhai V. Shah ceased to be director due to death. The board placed on record appreciation for the valuable guidance and support provided by them during their tenure as director on the Board of directors of the company.

DIRECTORS' RESPONSIBILITY STATEMENT - SECTION 217 (2AA) OF THE COMPANIES ACT, 1956 :

The Board of Directors states :

- 1) that in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- 2) that the directors had 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 profit and loss of the company for that period;
- 3) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

Sanrhea Technical Textiles Limited

- 4) that the Directors had prepared the annual accounts on a going concern basis.

PARTICULARS OF EMPLOYEES :

There is no employee of the Company drawing total remuneration of Rs.24,00,000 p.a. or Rs.2,00,000 p.m. as required U/S 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees), Rules, 1975.

CORPORATE GOVERNANCE :

Your directors are pleased to inform you that even though the provisions of the Corporate Governance as per listing Agreement is not presently applicable to the company, it has voluntarily started complying with certain provisions of the Corporate Governance Code and has taken adequate steps to ensure that all the mandatory provisions of Corporate Governance as provided in the listing agreement are duly complied with.

A series of steps initiated to put in place appropriate Corporate Governance policies for your company are as reported below :

- 1) The board of Directors had met Six times during the year under review and the gap between any two successive meetings did not exceed three months.
- 2) The Board has five members comprising of Managing Director, a Nominee Director and other invitee directors comprising of leading industrialists from the industry to which the company belongs.
- 3) Share transfer/transmissions are being processed and approved promptly by the transfer committee which in turn are ratified subsequently by the Board at regular meetings.
- 4) It is ensured that queries of the shareholders are attended to within a maximum period of 7 days.
- 5) There are no outstanding complaints received from the shareholders.
- 6) The board is pleased to inform you that during the year under review no penalties/strictures have been imposed on the company by the Stock Exchange(s), Registrar of Companies, SEBI or any other statutory authorities in any manner related to capital markets.
- 7) The Listing fees payable to stock exchanges have been duly paid by the company for the year under review.

- 8) The company has complied with the various requirements of the Listing agreements signed by the company with the Stock Exchanges like holding Board meetings for approving the Quarterly unaudited results promptly and publishing the same in press. The company has also complied with the requirements of obtaining a limited Review Report/Certificate from the statutory auditors on the half yearly accounts (unaudited) for the six months ended on 30/09/2002 and sent a copy of the same to the Stock exchanges as stipulated in the listing agreement.

FIXED DEPOSITS:

Fixed Deposit from the shareholders and public as at the end of the accounting year aggregate to Rs. 6.85 lacs. The company has adhered to rules and regulations as per Companies (Acceptance of Deposits) Rules and the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

A statement showing the required particulars in accordance with the companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 read with provisions of section 217(1) (e) of The Companies Act, 1956 is annexed forming part of this report.

AUDITORS:

The auditors of the company M/s.Kantilal Patel & Co., Chartered Accountants retires and being eligible, offers themselves for reappointment.

ACKNOWLEDGEMENT

Your Directors would like to express their appreciation for the support extended by Bankers and Government Officers. Your Directors also place on record their deep appreciation of the services rendered by the Officers, staff and workers of the company at all levels. Your Directors also acknowledge the continued invaluable support extended by you - our shareholders - and the confidence that you have placed in the company.

For & on behalf of the Board

Place : Ahmedabad
Date : June 29, 2002

Tushar M. Patel
Managing Director