

13th Annual Report 2005 - 2006

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HARYANA FIBRES LIMITED

HARYANA FIBRES LIMITED

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HARYANA FIBRES LIMITED

HARYANA FIBRES LIMITED

Regd. Office : A-203, New Ashok Nagar, Delhi - 110 096

BOARD OF DIRECTORS

Mr. Sudhish Kumar, *Managing Director*
Ms. Pooja Rastogi, *Director*
Mr. Neeraj Tiwari, *Director*
Mr. Vir Bhushan Rastogi, *Director*

COMPANY SECRETARY

Ms. Savita Srivastava

COMMITTEES OF BOARD

AUDIT COMMITTEE

Ms. Pooja Rastogi
Mr. Neeraj Tewari,
Mr. Vir Bhushan Rastogi
Mr. Sudhish Kumar
Ms. Savita Srivastava, Member Secretary

REGISTERED OFFICE

A-203, New Ashok Nagar,
Delhi - 110 096

SUBSIDIARIES

- Kautilya Infotech Limited
- Maple eSolutions Limited
- TDT Copper Limited

SHAREHOLDER / INVESTOR'S

GRIEVANCES COMMITTEE

Ms. Pooja Rastogi
Mr. Neeraj Tiwari
Ms. Savita Srivastava, Member Secretary

BANKERS

ICICI Bank
Sector - 18,
NOIDA (UP)

SHARE TRANSFER COMMITTEE

Ms. Pooja Rastogi
Mr. Neeraj Tiwari
Ms. Savita Srivastava, Member Secretary

AUDITORS

M/s Agarwal Atul & Associates.
C-64, 1st Floor, Sector-10, Noida (U.P)

REMUNERATION COMMITTEE

Ms. Pooja Rastogi
Mr. Neeraj Tiwari
Mr. Vir Bhushan Rastogi
Ms. Savita Srivastava, Member Secretary

REGISTRAR & SHARE TRANSFER AGENTS

Skyline Financial Services Pvt. Ltd.
123, Vinoba Puri, Lajpat Nagar – II
New Delhi – 110 024

HARYANA FIBRES LIMITED

NOTICE

NOTICE is hereby given that the Thirteenth Annual General Meeting of the members of Haryana Fibres Limited will be held on Saturday, the 30th day of September, 2006 at 12:30 P.M. at 64A, Suraj Complex, Adhyapak Nagar, Najafgarh Road, Nangloi, New Delhi-110041 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2006 and the Profit & Loss Account for the year ended on that date and the report of Auditor's and Director's thereon.
2. To appoint a Director in place of Mr. Vir Bhushan Rastogi, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Neeraj Tiwari, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s Agarwal Atul & Associates, Chartered Accountants, as auditors of the Company & to fix their remuneration.

By order of the Board
For **Haryana Fibres Limited**

Place : Delhi
Date : 01/09/2006

Sd/-
(Savita Srivastava)
Company Secretary

NOTES:

1. A Member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend & vote instead of himself. Such proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company at its Registered Office not less than 48 hours before the meeting.
2. Member/ Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.
3. The Register of members and Share Transfer books of the Company shall remain closed on Monday, 18th September, 2006 to Tuesday, 19th September, 2006 (both days inclusive).
4. Members are requested to bring copies of Annual Reports at the meeting as a measure of economy.
5. Members desiring any information on the accounts of the Company and its operation may write to the Company at its Registered Office at least 15 days before the meeting so that the desired information may be conveniently provided at the meeting.
6. Members who hold shares in dematerialized form are requested to bring their client ID and DP ID number for easy identification for purpose of attendance at the meeting.
7. Re-appointment of Directors -
At the ensuing Annual General Meeting Mr. Vir Bhushan Rastogi & Mr. Neeraj Tiwari retire by rotation and being eligible offer themselves for re-appointment. The information/details pertaining to their Directorship are separately provided in terms of Clause 49 of the Listing Agreement.

By order of the Board
For **Haryana Fibres Limited**

Place : Delhi
Date : 01/09/2006

Sd/-
(Savita Srivastava)
Company Secretary

HARYANA FIBRES LIMITED**DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT IN
THE FORTHCOMING ANNUAL GENERAL MEETING**

(Pursuant to Clause 49 of the Listing Agreement)

Name of the Director	Mr. Vir Bhushan Rastogi	Mr. Neeraj Tiwari
Date of Birth	25/07/1946	01/07/1971
Date of Appointment	30/09/2003	30/09/2003
Expertise in specific functional areas	Manufacturing Industry	Administration
Qualifications	B.E.	B.Com
List of companies in which outside Directorship held (excludes directorships in private limited companies)	TDT Copper Ltd. Kautilya Infotech Ltd. Maple eSolutions Ltd.	Maple eSolutions Ltd.
Chairman/ Member of the committees of the Boards of other companies on which he is a Director	N.A.	N.A.


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HARYANA FIBRES LIMITED

DIRECTORS' REPORT

Dear Shareholders

The Directors of your Company have pleasure in presenting 13th Annual Report together with Audited Accounts for the year ended 31st March, 2006.

FINANCIAL RESULTS

PARTICULARS	(Rs. in Lacs)	
	For the Year Ended 31.03.2006	Previous Year Ended 31.03.2005
Income (Other Income)	18.71	12.07
Profit / (loss) before Depreciation	(78.43)	1.52
Less: Provision for Income Tax/ MAT	-	0.13
Profit / (Loss) from Operations	(78.43)	1.39

OPERATIONS

The income of the Company for the period under review was Rs 18.71 lacs as against Rs 12.07 lacs in the last year. Your company suffered a loss of Rs.78.43 lacs mainly & primarily on account of write off of irrecoverable sundry balances for the year ended on 31st March, 2006 as against the profit of Rs. 1.39 lacs in the previous year.

DIRECTORS

Mr. Vir Bhushan Rastogi, Director & Mr. Neeraj Tiwari, Director of the Company retire by rotation and being eligible offers themselves for re-appointment.

DIVIDEND

In the absence of profits during the year, your Directors regret their inability to recommend payment of dividend for the year.

PUBLIC DEPOSITS

The company has not accepted / invited any public deposits during the period under review and hence provisions of Section 58A & 58AA of the Companies Act, 1956 are not applicable to your Company.

AUDITORS

M/s Agarwal Atul & Associates, Auditors of the Company hold office until the conclusion of ensuing Annual General Meeting and have offered themselves for reappointment. The Company has received the requisite certificate from them to the effect that their appointment, if made will be within the limits stipulated u/s 224 (1B) of the Companies Act, 1956.

The Report of the Auditors is self-explanatory and requires no comments.

COMPLIANCE WITH THE ACCOUNTING STANDARDS

The Company prepares its accounts and other financial statements in accordance with the relevant Accounting Principles and also complies with the Accounting Standards issued by the Institute of Chartered Accountants of India.

SUBSIDIARY COMPANIES

During the year TDT Copper Ltd. became subsidiary of the Company, by virtue of acquisition of its 54.35% equity shares.

During the year Maple eSolutions Ltd. became subsidiary of the Company, by virtue of acquisition of its 51.22% equity shares.

In compliance of Section 212 of the Companies Act, 1956, the audited statements of accounts along with the report of the Auditors and Board of Directors of Kautilya Infotech Limited, TDT Copper Ltd. & Maple eSolutions Ltd. are annexed to the Report.

DEMATERIALIZATION OF SHARES

Your company has entered into a tripartite agreement with the National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and Skyline Financial Services Pvt. Ltd. for maintaining a common share transfer agency, i.e. both in physical and electronic form. The ISIN number of the Company is INE057D01016.

HARYANA FIBRES LIMITED

STOCK EXCHANGE LISTING:

The Equity shares of your Company are listed at:

- i) The Delhi Stock Exchange Association Ltd., (DSE), New Delhi
- ii) The Stock Exchange, (BSE), Mumbai.
- iii) The Jaipur Stock Exchange, Jaipur.

CORPORATE GOVERNANCE :

The Company is taking adequate steps to ensure that provisions of Corporate Governance as prescribed under the Listing Agreement of the Stock Exchange are complied with. This Annual Report includes a Section on Corporate Governance and Benchmarks your Company with the SEBI code/listing requirements on Corporate Governance.

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

- a. Conservation of Energy & Technology Absorption: Since the Company is not carrying on any manufacturing activity, issues relating to conservation of energy and technology absorption are not quite relevant to its functioning.
- b. Export Activities: There was no export activity in the Company during the year under review. The Company is not planning any export in the near future as well.
- c. Foreign Exchange Earnings and Outgo: There was no Foreign Exchange earnings and outgo during the year under review.

PERSONNEL:

Provisions of Section 217(2A) of the Companies Act 1956, read with Companies (Particulars of Employees) Rules 1975, are not applicable to your Company as no employee of the Company is drawing remuneration equal to or more than the limit specified under Companies (Particulars of Employees) Rules, 1975.

DIRECTOR'S RESPONSIBILITY STATEMENT :

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that: -

1. All applicable accounting standards have been followed in preparing the Annual Accounts and material departures, if any, have been properly explained.
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent in respect to the Industry so as to give a true and fair view of the state of affairs of the Company and profit and loss account as at the date of Balance sheet.
3. The Directors have taken proper and sufficient care for;
 - a. Maintenance of adequate accounting records in accordance with the Companies Act, 1956.
 - b. Safeguarding the assets of the Company and
 - c. Preventing and detecting fraud and other irregularities.
4. The Directors have prepared the annual accounts on a going concern basis.

APPRECIATION & ACKNOWLEDGEMENT :

Your Directors appreciate the valuable co-operation extended by the Company's Bankers & other Central and State Government departments, for their continued support and also place on record their wholehearted appreciation for your Company's employees at all levels. Your Directors also acknowledge with gratitude the backing of its shareholders.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT :

Corporate Governance and Management Discussion and Analysis Reports are set out separately.

For and on behalf of Board of Directors

Place : New Delhi
Date : 29.07.2006

Sd/-
(Sudhish Kumar)
Managing Director

Sd/-
(Neeraj Tiwari)
Director

HARYANA FIBRES LIMITED

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The philosophy of the Company on Corporate Governance envisages, inter-alia, attainment of the highest levels of accountability and equity in all its actions and enhancement of shareholder value keeping in view the needs and interests of the stakeholders.

Your company believes that the Corporate Governance Code will enhance the growth of benefits to all the stakeholders.

Your company has complied with the requirements of the code of Corporate Governance as implemented by the regulatory authorities in the year 2001. The Broad disclosures as required by the Stock Exchanges and Regulatory Authorities are given below:

I. BOARD OF DIRECTORS

The Board of Directors of the Company consist of 4 Directors, the details are given below:

Names of Director	Category
Mr. Sudhish Kumar	Managing Director
Ms. Pooja Rastogi	Director
Mr. Neeraj Tiwari	Director
Mr. Vir Bhushan Rastogi	Director

A. None of the Directors of the Company has any pecuniary relationship or transaction with the Company.

B. Board Meetings

The Board meets at least once in every quarter, besides the meetings required to comply the statutory provisions of the Companies Act, 1956 and the rules made there under and the Listing Agreement of the various Stock Exchanges with which the share of the company are listed. The meetings are generally held at the registered office / Corp. office of the Company. The Notice and the Agenda for all meetings are delivered in advance to the Board members as a corporate practice.

During the period under review, the Board met 7 times.

C. Board Committees

Currently, the Board has four Committees viz. the Audit Committee, the Shareholders / Investor's Grievances Committee, Share Transfer Committee and Remuneration Committee.

The Board from time to time decides the terms of reference. Normally the meetings are held once in every Quarter.

D. Number of Board Meetings, attendance at Board Meetings and previous Annual General Meeting:

During the year under review, the Board met at least once in each quarter. The Annual General Meeting of the Company is held regularly every year within the stipulated period. The Attendance of Directors in the Board Meeting/AGM is given below:

Name of the Director	Board Meetings held During the Year: 07 Attended	12th AGM held on 30th September, 2005 Attended
Mr. Sudhish Kumar	7 (Seven)	Yes
Ms. Pooja Rastogi	6 (Six)	Yes
Mr. Neeraj Tiwari	7 (Seven)	Yes
Mr. Vir Bhushan Rastogi	2 (Two)	No

Dates of the Board Meetings during the last Financial Year :

25/04/06	30/06/05
30/07/05	17/10/05
30/12/05	30/01/06
08/03/06	

BOARD COMMITTEES:

I. AUDIT COMMITTEE

The Audit Committee of the Company was constituted pursuant to provisions of the Listing Agreement and Section 292A of the Companies Act, 1956

The Committee comprises of following Directors and Member Secretary.

Ms. Pooja Rastogi	Non-Executive Director
Mr. Sudhish Kumar	Executive Director
Mr. Neeraj Tiwari	Independent Director
Mr. Vir Bhushan Rastogi	Independent Director
Ms. Savita Srivastava	Member secretary

HARYANA FIBRES LIMITED

The Committee has powers and perform functions as envisaged under Section 292A of the Companies Act, 1956 and the listing agreement.

The Audit Committee has been vested with the following powers:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

II. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

The Company constituted a shareholders/investors Grievance Committee to operate in terms of the provisions related thereto in the Listing Agreement of the Stock Exchange and / or the provisions as prescribed or as may be prescribed in this regard by the Companies Act, 1956.

The Committee comprises the following Directors and Member Secretary:

Ms. Pooja Rastogi	Member
Mr. Neeraj Tiwari	Member
Ms. Savita Srivastava	Member Secretary

This Committee reviews and takes all necessary actions for redressal of investor's grievances and complaints as may be required in the interest of the investors.

III. SHARE TRANSFER COMMITTEE

In accordance with Clause 49 para VI (D) of the Listing Agreement of the Stock Exchanges, the Board has delegated the powers of share transfers to the Share transfer Committee consisting of the following members

Ms. Pooja Rastogi	Member
Mr. Neeraj Tiwari	Member
Ms. Savita Srivastava	Member Secretary

This Committee approves requests for share transfers, transmissions, transpositions, rematerialisation, split and duplicate shares etc.

IV. REMUNERATION COMMITTEE.

In accordance with the provisions of Schedule XIII of the Companies Act, 1956 the Board has delegated the powers of approving the remuneration payable to managerial personnel. The Remuneration Committee consist of following members

Mr. Pooja Rastogi	Member
Mr. Sudhish Kumar	Member
Mr. Neeraj Tiwari	Member
Ms. Savita Srivastava	Member Secretary

DISCLOSURES

Your Company does not have any materially significant transactions with any of the related parties i.e. Promoters, Collaborators, Directors, Associated Company.

CODE OF CONDUCT

The Company's Board has laid down code of conduct for all Board Members and Senior Management of Company as required under Clause 49 of the Listing Agreement. All Board members and Senior Management Personnel have affirmed compliance with code of conduct. A declaration signed by the Managing Director to this effect is annexed to this Report.

MEANS OF COMMUNICATION

The Un-Audited Quarterly & Half yearly results are sent to all the Stock Exchanges, where the shares of the Company are listed. The results of the Company are published in one English daily Newspaper circulating substantially in India and one Regional Newspaper.

REPORT ON CORPORATE GOVERNANCE

Running report is on Corporate Governance.

COMPLIANCE

A certificate dated 29/06/2006 obtained from the Statutory Auditor is annexed with the Annual Report and forms part of this report on Corporate Governance.

HARYANA FIBRES LIMITED

GENERAL SHAREHOLDERS INFORMATION

a. GENERAL MEETINGS (AGMs, EGMs & Class Meetings)

Details of meetings held during the last three years are given below :-

Date	Time	Venue	Nature of Meeting
30 th Sep. 2005	12.00 P.M	64A, Adhyapak Nagar, Najaigarh Road Nangloi, New Delhi – 110 041	A.G.M
30 th Sep. 2004	12.00 P.M	64A, Adhyapak Nagar, Najaigarh Road Nangloi, New Delhi – 110 041	A.G.M
30 th Sep. 2003	11.00 A.M	Angrez Farm, Near De Paul Boys House Village ujwa, New Delhi	A.G.M

- b. **Date of forthcoming Annual General Meeting** 30th September, 2006.
c. **Financial Calendar** 1st April to 31st March.
d. **Period under review** 1st April 2005 to 31st March 2006
e. **Date of Book Closure** 18th Sept., 2006 to 19th Sept. 2006 (both days inclusive)
f. **Dividend payment date** NOT APPLICABLE

LISTING ON STOCK EXCHANGE:

The Shares of the Company are listed on the following Stock Exchanges

The Stock Exchange

Mumbai, BSE

Phiroze Jeejeebhoy Towers,

Dalal Street,

Mumbai

The Delhi Stock Exchange

Association Limited, DSE

House, Asaf Ali Road,

New Delhi

The Jaipur Stock

Exchange Limited,

Stock Exchange

Building, JLN Marg,

Malviya Nagar, Jaipur.

g. Stock Code

at Delhi Stock Exchange

at Mumbai Stock Exchange

at Jaipur Stock Exchange

- 08132

- 531409

- 531409

h. CEO/CFO Certification

Mr. Sudhish Kumar, Managing Director, who is carrying responsibility of CEO have given CEO certificate as per format prescribed under Clause No. 49 of the Listing Agreement to the Board at its meeting held on 29th June, 2006.

i. Registrar & Share Transfer Agent

The Company has engaged the services of M/s Skyline Financial Services Pvt. Ltd. as their Share Transfer Agents, Electronic & Physical, for processing the Transfers, Sub-division, Consolidation, and Splitting of Securities etc.

The Addresses of Registrar & Transfer agents are as under:

Skyline Financial Services Pvt. Ltd.

123, Vinoba Puri

Lajpat Nagar – II, New Delhi.

COMPLIANCE OFFICER

Ms. Savita Srivastava, Company Secretary is the compliance officer who may be contacted at the Corporate Office of the Company. Contact details are given below:-

NAME

SAVITA SRIVASTAVA

TELEPHONE NO.

0120-4352653

FAX NO.

0120-4352651

SHARE TRANSFER SYSTEM

The share transfers of your Company are presently handled by the Registrar & Transfer Agents i.e. Skyline Financial Services Pvt. Ltd. The share transfers and reports are approved in the meetings of the Committee of the Board of Directors.