



Asahi Fibres Limited

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YE	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>

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Fifth Annual Report
1997 - 98



BOARD OF DIRECTORS

SHRI SANGRAMSINH P. GAEKWAD - Chairman
 SHRI AMIT A. SHAH - Managing Director
 SHRI S. Y. REGE
 SHRI M.T. MODY
 SHRI A. K. SHAH
 SHRI R. N. SHAH
 SHRI Y. R. SHAH

AUDITORS

HARIDAS ASSOCIATES
 CHARTERED ACCOUNTANTS

BANKERS

UNION BANK OF INDIA.

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REGISTERED OFFICE

21 / 24 - B, NARIMAN BHAVAN,
 227, NARIMAN POINT, MUMBAI - 400 021.

WORKS

VILLAGE - SALVAV, TALUKA - PARDI, NEAR VAPI,
 DISTRICT - VALSAD, GUJARAT - 396 191

REGISTRAR AND TRANSFER AGENT

17/12/95
SM Consultancy Services
 (Division of SM Finance Ltd.)
 SM Bhavan, Plot No. B-7 & B-19,
 Road No. 15, Wagle Indl. Estate,
 Thane.- 400 604.

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NOTICE

Notice is hereby given that the Fifth Annual General Meeting of the Members of the Company will be held at Ground Floor, Nariman Bhavan, 227 Nariman Point, Mumbai - 400 021, on Monday the 28th September, 1998 at 11.00 a.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive consider and adopt the Balance Sheet as 31st March, 1998 and the Profit and Loss Account for the year ended on that date and the Directors' and Auditors' Report, thereon.
2. To appoint a Director in place of Shri A. K. Shah who retires by rotation but being eligible offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

4. To appoint a Director in place of Shri R. N. Shah who was appointed as an Additional Director of the Company and who holds office upto the date of the forthcoming Annual General Meeting in accordance with Section 260 of the Companies Act, 1956, but who is eligible for appointment and in respect of whom the company has received a notice in writing proposing his candidature for the office of the Director.
5. To appoint a Director in place of Shri Y. R. Shah who was appointed as an Additional Director of the Company and who holds office upto the date of the forthcoming Annual General Meeting in accordance with Section 260 of the Companies Act, 1956, but who is eligible for appointment and in respect of whom the company has received a notice in writing proposing his candidature for the office of the Director.

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The explanatory statement in respect of special business as required under section 173(2) of the Companies act, 1956 is annexed hereto.
3. The Register of members and share transfer book of the company will remain closed from Friday 25th September, 1998 to Monday 28th September, 1998 (both days inclusive).
4. Members are requested to bring their copies of the Annual Report at the time of attending the Annual General Meeting.

BY ORDER OF THE BOARD

AMIT A. SHAH
Managing Director

Dated : 28th August, 1998

Registered Office :

21/24-B, Nariman Bhavan
227, Nariman Point
MUMBAI - 400 021.

ANNEXURE TO NOTICE**EXPLANATORY STATEMENT UNDER SECTION 173 OF THE COMPANIES ACT, 1956.****ITEM NO.4 & 5**

In order to broad base the Board Shri. R. N. Shah and Shri Y. R. Shah were appointed as Additional Directors of the Company on 27th September, 1997 and 22nd May, 1998 respectively. In accordance with Section 260 of the Companies Act, 1956, they hold office upto the forthcoming Annual General Meeting of the Company. The Company has received a notice under section 257 of the Companies Act 1956 alongwith a deposit of Rs.500/- each from the members of the Company proposing the names of Shri R. N. Shah and Shri Y. R. Shah as candidates for the office of Director.

The Board considers it desirable to continue to avail of their guidance and advice.

Shri R. N. Shah and Shri Y. R. Shah are interested in the resolution as it relates to their appointment.

BY ORDER OF THE BOARD

AMIT A. SHAH
Managing Director

Dated : 28th August, 1998

Registered Office :

21/24-B, Nariman Bhavan
227, Nariman Point
MUMBAI - 400 021.

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DIRECTORS' REPORT**ANNEXURE**

TO,

THE MEMBERS,

Your directors present before you the Fifth Annual Report and the audited accounts of the company for the year ended 31st March, 1998.

FINANCIAL RESULTS :

The Financial results of the company for the year are summarised below.

	1997-98 (Rs.In Lakhs)	1996-97 (Rs.In Lakhs)
Sales and other Income	803.39	686.04
Profit/(Loss) before Interest and Depreciation	(22.38)	33.03
Less/Add:		
Interest	151.50	128.10
Depreciation	60.38	81.28
Profit/(Loss) for the year	(234.26)	(176.35)
Add: Balance of Loss carried from previous year	(266.38)	(90.13)
Balance carried to Balance Sheet	(500.64)	(266.38)

OPERATIONS :

The turn-over for the year under review was Rs. 774.32 Lakhs. The efforts are being made to streamline the working of the company to the desired level.

PROJECTIONS V/s. PERFORMANCE : (Rs. in Lacs)

	Projected 31.03.1998	Actual 31.03.1998
- Sales	1854.41	774.32
- Other Income	23.18	29.07
- Profit/(Loss)	141.73	(234.26)

Result for the year are affected due to the adverse South-East Asian Currency crisis as the Company is a 100 % Export Oriented Unit.

PARTICULARS OF EMPLOYEES :

The Company does not have any employee, whose particulars are required to be given pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of Employees) Rules, 1975.

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

Additional information as required by the Companies (Disclosure of Particular in the Report of Board of Directors) Rules, 1988 is given in the prescribed format as Annexure-I of this Report.

DIRECTORS :

Shri A. K. Shah would retire by rotation at the forthcoming Annual General Meeting and is eligible for reappointment.

Shri R. N. Shah and Shri Y. R. Shah were appointed as Additional Directors by the Board of Directors. They would hold office upto the date of the forthcoming Annual General Meeting and are eligible for appointment.

PREFERENTIAL ISSUE OF SHARES :

As approved by the Shareholders at the last Annual General Meeting, the company has allotted 65,452 Equity Shares of Rs.10/- each to MTM Trading Pte Limited - Singapore, the collaborator of the company.

ACKNOWLEDGEMENTS :

The Directors acknowledge the excellent co-operation and support extended by Union Bank Of India and Employees of the company.

AUDITORS :

M/s. Haridas Associates, Chartered Accountants, the Auditors of the Company would retire at the forthcoming Annual General Meeting and they are eligible for re-appointment. You are requested to appoint Auditors and to fix their remuneration.

For and on behalf of the Board

Place : Mumbai

Dated : 28th August, 1998

A. K. SHAH **AMIT A. SHAH**
Director (Managing Director)

ANNEXURE-I**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

In accordance with the Companies(Disclosure of Particulars in the Report of Board of Directors) Rule 1988.

A. CONSERVATION OF ENERGY

- Periodical energy analysis are being carried out to monitor the usage of energy.
- Energy saving and conservation devices are installed.
- Consumption of energy has been closely monitored and usage is optimised.
- The measures for conservation of energy is an on going process and will save energy to the maximum possible.

FORM : A**POWER AND FUEL CONSUMPTION**

	1997-98	1996-97
1. Electricity		
a) Purchased Units	2704710	2671420
Total Amount (Rs.)	9277859	7968967
Rate per Unit(Rs.)	3.43	2.98
b) Own Generation		
Through diesel generator		
Units	25958	24474
Total Amount (Rs.)	117548	109851
Rate per Unit (Rs.)	4.53	4.49
2. Consumption per unit of production: Electricity unit consumed per kg. of yarn is 2.67 (Previous year 2.85)		

B. RESEARCH AND DEVELOPMENT (R&D)

- Specific areas in which R & D was carried out by the Company.
 - Grading of Cotton for specific count and quality of Yarn.
 - Evaluation and maintenance of quality of yarn at various stages of processing and optimizing the process parameters to achieve the best yarn quality to cope with international standards.
- Benefits derived as a result of the above R & D
 - To Complete effectively in the International market.
- Future Plan of Action.
 - To complete effectively in the international market.
- Expenditure on R & D
 - a) Capital NIL
 - b) Recurring NIL
 - c) Total NIL
 - d) Total R & D expenditure as a percentage of total turnover. Not Applicable

C. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- Efforts in brief made towards technology absorption, adoption and Innovation.
 - Continuous efforts are made towards technology absorption. Priority is given in improving the quality of the product and increasing productivity through cost effective programmes.
- Imported Technology NIL

D. FOREIGN EXCHANGE EARNINGS AND OUTGO

- The Company is a 100% Export Oriented Unit (EOU) with a strong commitment towards promoting exports.
- | | |
|-------------------------|----------------|
| Foreign Exchange Outgo | Rs. 30.67 Lacs |
| Foreign Exchange Earned | Rs.562.85 Lacs |

For and on behalf of the Board

Place : Mumbai

Dated : 28th August, 1998

A. K. SHAH **AMIT A. SHAH**
Director (Managing Director)