



# **Asahi Fibres Ltd.**

**15<sup>th</sup> Annual Report  
2007 - 2008**

**ASAHI FIBRES LIMITED****15<sup>th</sup> ANNUAL REPORT 2007 - 2008****ASAHI FIBERS LIMITED****BOARD OF DIRECTORS**

Shri Saurabh Kumar Tayal – Chairman  
 Shri Jaikumar Mishra – Managing Director  
 Shri Jodha Ram Dhaka  
 Shri Shiv Prasad Srivastava  
 Shri Romil Aggarwal  
 Shri Harinder Kumar  
 Shri Mahendra Patel

**PRINCIPAL BANKER**

The Bank of Rajasthan Ltd.

**AUDITORS**

B. M. Gattani & Co.  
 Chartered Accountants

**REGISTERED OFFICE**

Ecomax, Taluka Musrane, Wada, Dist. Thane

**CORPORATE OFFICE**

396, Veer Savarkar Marg  
 Opp. Siddhivinayak Temple  
 Prabhadevi,  
 Mumbai 400025.

**R & T AGENT**

Mondkar Computers Pvt Ltd  
 21, Shakil Nivas, Opp Satya Sai Baba Temple  
 Mahakali Caves Road, Andheri (East)  
 Mumbai – 400 093.

**PLANTS**

Valsad, Gujarat

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**ANNUAL GENERAL MEETING** on Tuesday, 12th August, 2008, at 10.00 a.m.,  
 at 65, Ecomax, Taluka Musrane, Wada, Dist. Thane

## ASAHI FIBRES LIMITED

15<sup>th</sup> ANNUAL REPORT 2007 - 2008

## NOTICE

NOTICE IS HEREBY GIVEN that the 15<sup>th</sup> Annual General Meeting of the Members of ASAHI FIBRES LIMITED will be held at the Registered Office of the Company at Ecomax, Taluka Musrane, Wada, Dist. Thane at 10.00 a.m. on Tuesday the 12<sup>th</sup> August, 2008 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Company's Balance Sheet as at 31<sup>st</sup> March 2008 and Profit and Loss Account for the year ended on that date together with Reports of Directors and Auditors thereon.
2. To re-appoint Shri Jodha Ram Dhaka, Director of the Company who retires by rotation and being eligible offers himself for re-appointment.
3. To re-appoint Shri Shiv Prasad Srivastava, Director of the Company who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s. A.F. Khasgiwala & Co, Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting, in place of M/s. B.M. Gattani & Co. Chartered Accountants who were appointed as Statutory Auditors of the Company at the Annual General Meeting held on 09<sup>th</sup> June, 2007 and who hold office up to the conclusion of this Annual General Meeting and who have expressed their inability to continue as Statutory Auditors of the Company, and to authorize the Board of Directors to fix the remuneration of M/s. A.F. Khasgiwala & Co. Chartered Accountants.

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modifications the following resolutions **AS ORDINARY RESOLUTIONS:**

5. "RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, read with Schedule XIII and other applicable provisions of the Companies Act, 1956 and any other statutes as may be applicable, the decision of Board of Directors of the Company appointing Shri Jaikumar Mishra as Managing Director of the Company for a period of 3 years w.e.f. 14<sup>th</sup> January, 2008 is hereby ratified.

**FURTHER RESOLVED THAT** since Shri Jaikumar Mishra has opted not to draw any remuneration in consideration of Rehabilitation Scheme sanctioned by Hon'able BIFR currently under implementation, no Managerial remuneration shall be paid to him till such time the Board of Directors reconsiders his Managerial Remuneration which shall be subject to the approval of the Members of the Company.

**FURTHER RESOLVED THAT** Shri Jai Kumar Mishra shall not be liable to retire by rotation.

NOTES :

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business is annexed hereto under item no 5 and forms an integral part of this notice.
2. A SHAREHOLDER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANOTHER PERSON (WHETHER A SHAREHOLDER OR NOT) AS HIS/HER PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. A PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING AND SHALL BE ENTITLED TO VOTE ONLY UPON A POLL.
3. Information relating to Item No- 2 & 3 as required under clause 49 of the Listing Agreement with the Stock Exchange is annexed hereto.
4. The instrument(s) appointing the Proxy, if any, shall be delivered at the Registered Office of the Company not less than forty eight (48) hours before the commencement of the Meeting and the instrument of proxy shall be treated as invalid in case of default.
5. The Register of Members and Share Transfer Register of the Company will remain closed from Friday, the 08<sup>th</sup> August, 2008 to Tuesday, 12<sup>th</sup> August, 2008 (both days inclusive) to comply with Annual Book Closure requirements.
6. All documents and agreements referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, except holidays, between 10.00 A.M. and 1.00 P.M., up to the date of Annual General Meeting.
7. Members, who require any information on the Annual Accounts of the Company for the year ended 31<sup>st</sup> March, 2008 are requested to write to the Company at its Corporate Office at least 7 days in advance of the Annual General Meeting, so as to enable the Management to keep the information ready at the meeting.
8. Member(s) are advised to avail of nomination facility pursuant to section 109 of the Companies Act 1956. They may nominate a person in the prescribed manner i.e. by sending Form 2B under Rule 4CCC and 5B duly filled and signed in by the Member(s) to whom/her/his shares shall vest in the event of his / her death. They may send the nomination form to the Company at its Corporate Office directly.

For and on Behalf of the Board of Directors

SD/-

Saurabh Kumar Tayal  
Chairman

Place: Mumbai  
Date : 14<sup>th</sup> June, 2008

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF  
THE COMPANIES ACT, 1956 :****ITEM NO. 5:**

Shri Jaikumar Mishra, Director of the Company was appointed as Managing Director by the Board on 14<sup>th</sup> January 2008 for a period of 3 years w.e.f. 14<sup>th</sup> January, 2008. His appointment as Managing Director was made as Shri Gaurav Agarwal had resigned from the Board of Directors w.e.f. 14<sup>th</sup> January 2008 and hence also ceased to act as Managing Director of the Company. Shri Jaikumar Mishra has opted not to draw any remuneration as the Company is being revived in terms of Rehabilitation Scheme sanctioned by Hon'able BIFR by order dated on 03-05-2006, in Reference No. 232/99.

The Board recommends the passing of this Resolution. None of the Directors except Shri Jaikumar Mishra is interested in this resolution.

For and on Behalf of the Board of Directors

SD/-  
**Saurabh Kumar Tayal**  
Chairman

Place: Mumbai  
Date : 14<sup>th</sup> June, 2008

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## ASAHI FIBRES LIMITED

15<sup>th</sup> ANNUAL REPORT 2007 - 2008

## DIRECTOR'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 15<sup>th</sup> Annual Report and the Audited Statements of Accounts of your Company for the Financial Year ended 31<sup>st</sup> March 2008.

## FINANCIAL RESULTS

	2007-2008 (Rs. In lacs)	2006-07 (Rs. In lacs)
Sales	2304.34	1785.62
Other Income	0.00	3.25
Profit before Depreciation, Interest and Tax	151.18	109.20
Depreciation	89.92	81.59
Provision for Tax & Deferred Tax	6.94	3.10
Profit (Loss) for the year	54.32	24.51
Profit / (Loss) brought forward from Previous Year	(598.41)	(1166.75)
Profit / (Loss) carried to Balance Sheet	(544.09)	(598.41)

**Note:** Previous year figures have been regrouped / rearranged wherever necessary

## DIVIDEND

In view of inadequacy of profit in the year under Report, your Directors do not recommend any dividend on the Equity Shares for the year under review.

## OPERATIONS

During the year the Company has achieved Sales Turnover of Rs. 2304.34 Lacs in the Financial Year 2007-08 as against Rs. 1785.62 Lacs in respect of the Previous Financial Year 2006-07. The Profit before depreciation, interest and tax was Rs. 151.18 Lacs in the Financial Year 2007-08 as against Rs. 109.20 Lacs in the Previous Financial Year and Profit after Depreciation, Interest and Provision of Taxes there was a Net Profit of Rs. 54.32 Lacs for the Year Ended 2007-08 as against Rs. 24.51 Lacs in the last year.

## IMPLEMENTATION OF THE REHABILITATION SCHEME:

Hon' able BIFR by Order dated 02-01-2008 has noted that since the net worth of the Company as on 31.03.2007 has turned positive, the Company has ceased to be a sick industrial undertaking within the meaning of Section 3(1)(o) of Sick Industrial Companies (Special Provisions) Act 1985. The Company accordingly has been discharged from the purview of SICA/BIFR. The Hon'able BIFR has also directed that the unimplemented provisions of Sanctioned Rehabilitation Scheme would continue to remain in full force for the unexpired period of the Scheme which would be implemented by the concerned agencies.

## DIRECTORS

The Hon' able BIFR by order dated 2<sup>nd</sup> June 2006 was pleased to appoint Shri R. P. M. Tripathi as Special Director on the Board of the Company. The Hon' able BIFR by its order dated 02-01-2008 in Reference No. 232/99 has held that the Special Director appointed by BIFR on the Board of the Company would stand relieved w.e.f. 02-01-2008. Accordingly Shri R. P. M. Tripathi has ceased to be Director of the Company.

Shri Gaurav Agarwal resigned as Director of the Company w.e.f. 14<sup>th</sup> January 2008 and he also ceased as Managing Director of the Company. The Board of Directors places on record its appreciation for the valuable services rendered by Shri Gaurav Agarwal during his tenure as Director of the Company.

Shri Jaikumar Mishra was appointed as Managing Director of the Company on 14<sup>th</sup> January 2008 for a period of 3 years. Shri Jaikumar Mishra holds office until the conclusion of the forthcoming Annual General Meeting. Necessary Resolution for his appointment has been placed for consideration of the Members of the Company.

Shri Jodha Ram Dhaka and Shri Shiv Prasad Srivastav retire by rotation and being eligible they have offered themselves for re-appointment.

## PARTICULARS OF EMPLOYEES

There were no employees drawing remuneration of Rs. 24,00,000/- or more per annum employed throughout the year or Rs. 2,00,000/- or more, per month employed for a part of the year.

**ASAHI FIBRES LIMITED****15<sup>th</sup> ANNUAL REPORT 2007 - 2008****DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Director's Responsibilities Statement, it is hereby confirmed:

- (i) that in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March 2008 the applicable accounting standards (except AS-15 applicable to Accounting treatment for Gratuity and Leave encashment etc.) had been followed along with proper explanation relating to material departures.
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were 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 or Loss of the Company for the year under review;
- (iii) that the Directors had 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 frauds and other irregularities;
- (iv) that the Directors had prepared the accounts for the financial year ended 31<sup>st</sup> March 2008 on a 'going concern' basis.

**CORPORATE GOVERNANCE:**

The Company has complied with Corporate Governance Code as stipulated under clause 49 of the Listing Agreement. A separate section on Corporate Governance along with a Certificate from the Practicing Company Secretary confirming the Compliance is annexed and forms part of this report.

**DEPOSITS:**

During the year under Report the Company has not accepted any fixed deposits.

**AUDITOR'S REPORT**

The remarks made by the Auditors in their Report have been suitably dealt within the Schedules and Notes and therefore, do not call for any further clarification.

**AUDITORS**

M/s. B. M. Gattani & Co. Chartered Accountants, the Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting. The Company has received a letter from B. M. Gattani & Co., Chartered Accountants expressing their inability to continue as a Statutory Auditors of the Company. Necessary resolution for appointment of A. F. Khasgiwala & Co. Chartered Accountant as Statutory Auditors, from whom Company has received letter confirmation that their appointment, if approved by Shareholders will be within limit prescribed u/s 224(1B) of the Companies Act 1956, is placed for consideration and approval of the members of the Company.

**ACKNOWLEDGEMENT**

Your Directors place on record their appreciation of the assistance and support extended by Banks, Consultants, Solicitors, Shareholders and Employees of the Company.

For and on Behalf of the Board of Directors

SD/-  
Saurabh Kumar Tayal  
Chairman

Place : Mumbai  
Date : 14<sup>th</sup> June, 2008

## ANNEXURE TO THE DIRECTORS' REPORT

Information as per Section 217(1)(e), of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year 2007 - 2008

## I. CONSERVATION OF ENERGY

## a) Energy conservation measures taken:

The Company has been making concerted efforts for enhancement in capacity utilization, cost competitiveness and quality through systematic process monitoring and adherence to technological norms. Sophisticated instruments are used for regulation and adjustment as per parameters. Efforts are also made for up gradation of the quality of the Plant Operation. Utilities are being combined for effective energy conservation.

## b) Additional Investments and Proposals being implemented for reduction of consumption of energy:

The Company, as a matter of policy, has a regular and ongoing programme for investments in energy saving devices. Studies are being made to reduce energy consumption and make suitable investments in this area, if necessary.

## c) Impact of the measures (a) &amp; (b) above for reduction of energy consumption and consequential impact on the cost of production of goods:

The Company has economised considerably the cost of power despite steep hike in the tariffs and is constantly exploring avenues for cost saving as an on-going process.

## d) TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION AS PER FORM A OF THE RULES IN RESPECT OF INDUSTRIES SPECIFIED IN THE SCHEDULE THEREOF

	Year ended 31.03.2008	Year ended 31.03.2007
<b>A. Power and Fuel Consumption in respect of :</b>		
1. Electricity		
(a) Purchased		
1. Units (KWH in Lacs)	54.11	34.99
2. Total amount (Rs. in lacs)	355.50	230.24
3. Rate per unit (Rs/unit)	6.57	6.50
(b) Own Generation (Through Diesel Generator/Furnace Oil)		
1. Units (KWH in Lacs)	-	-
2. Units per litre of fuel	-	-
3. Cost per unit (Rs/unit)	-	-
2. Coal	-	-
3. Furnace Oil	-	-
1. Furnace Oil (Ltr. in Lacs)	-	-
2. Total Amt (Rs. in Lacs)	-	-
3. Cost Rs./ltr.	-	-
4. Others/Internal Generation	-	-
<b>B. Consumption per unit of production</b>		
(Product : Yarn & Fabric)		
1. Electricity (KWH/Tonne)	3049.43	2473.59
2. Coal (Kgs.)	-	-
3. Furnace Oil (Ltrs.)	-	-
4. Steam (Tonnes)	-	-

Note: Since the Company manufactures different qualities of fabrics/yarns with product-mix changing significantly, there are no specific norms for per unit of production.

## II. TECHNOLOGY ABSORPTION

Efforts made in technology absorption in prescribed Form 'B' :

## 1. Research and Development:

**ASAHI FIBRES LIMITED****15th ANNUAL REPORT 2007 - 2008**

- |  |   |
|--|---|
| a) Specified areas in which R & D activities are carried out by the Company. | R & D activities are being carried out continuously to produce better quality of yarn and fabrics.  |
| b) Benefits derived as a result of the above                                 | As a result of R & D activities, the Company has been able to produce quality fabrics conforming to international standards.                        |
| c) Future Plan of Action   | Efforts aimed at cost reduction, improvement in quality of products and development of new process will continue.                                   |
| d) Expenditure on R & D  | Expenditure on R & D is being booked under the respective heads in the Profit & Loss Account as no separate account is maintained for this purpose. |
2. Technology Absorption, Adoption and Innovation
- The Company has not utilized any imported technology.

**III. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

- a) Activities relating to export markets for products and services and export plan
- The Company is exploring avenues to export its premium quality fabrics.

	Year ended 31.03.2008	Year ended 31.03.2007
b) Foreign Exchange Outgo (Rs. in Lacs)	NIL	NIL
c) Foreign Exchange earned (Rs. in Lacs)	NIL	NIL

For and on Behalf of the Board of Directors

SD/-

Saurabh Kumar Tayal  
ChairmanPlace: Mumbai  
Date : 14th June, 2008