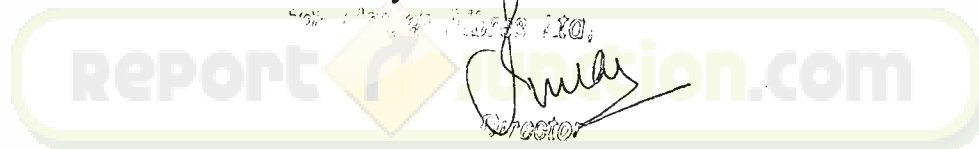


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AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

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HANJER FIBRES LIMITED

7th Annual Report
1997-98

HANJER FIBRES LIMITED

HANJER FIBRES LIMITED

CHAIRMAN & MANAGING DIRECTOR

IRFAN ASHRAF FURNITUREWALA

DIRECTORS

UMAR MERCHANT

BHOGILAL BACHKANIWALA

ABDUL RAZAK HAJI VALI MOHD.

IMRAN ASHRAF FURNITUREWALA

NATVARLAL RANA

(Nominee of GLIC)

NARHARI NADHAMUNI

(Nominee of IDBI)

BANKERS

STATE BANK OF INDIA.

THE MEMON CO.OP. BANK LTD.

AUDITORS

J.S. BATA & CO.,
32/C, Bhawani Nagar,
Marol Maroshi Road,
Andheri (E),
Mumbai - 400 059.

REGISTRATION AND SHARE TRANSFER DEPARTMENT

Hanjer Fibres Limited,
335, Shalimar House,
Grant Road, Mumbai - 400 007.

REGISTERED OFFICE

Hanjer Fibres Limited,
335, Shalimar House,
Grant Road, Mumbai - 400 007.

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NOTICE

NOTICE is hereby given that the **Seventh Annual General Meeting** of the Members of the Company will be held at Shalimar Cinema Basement, 335, Grant Road, Mumbai-400 007 on Wednesday 30th September, 1998 at 11.00 a.m. to transact the following business :

Ordinary Business.

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1998 and the Profit & Loss Account for the year ended on that date together with the reports of the Directors and Auditors thereon.
2. To appoint Auditors and to fix their remuneration.

Special Business

3. To consider and, if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION of which notice has been received by the Company from member.

"RESOLVED THAT Mr. Nazim Ashraf Furniturewala, be and is hereby appointed as a Director of the Company in terms of Section 257 of the Companies Act, 1956."

4. To consider and, if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION of which notice has been received by the Company from member.

"RESOLVED THAT Mr. Nadeem Ashraf Furniturewala, be and is hereby appointed as a Director of the Company in terms of Section 257 of the Companies Act, 1956."

By Order of the Board of Directors

Irfan A. Furniturewala
Chairman & Managing Director

Mumbai, dated 5th September, 1998

Regd. Office :

335, Shalimar House
Grant Road,
Mumbai 400 007.

NOTES:-

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Special Business set out at items No.3 and 4 of the notice is annexed hereto.
3. The Register of Members and the Share Transfer books of the Company will be closed from 28th September, 1998 to 30th September, 1998 (both days inclusive).
4. Members are requested to :
 - a) Intimate changes, if any in their registered address at an early date.
 - b) Quote ledger folio number in all their correspondence.
 - c) Intimate about consolidation of folios, if share holdings are under multiple folios.
 - d) Bring their copies of the Annual Report and the Attendance slips with them at the Annual General Meeting.
5. Proxies to be effective must be received by the Company not less than 48 hours before the commencement of the meeting.
6. Members requiring any information about the accounts are requested to write to the Company at least one week before the date of meeting.
7. Only registered members carrying the Attendance slip and the holders of valid proxies registered with the Company will be permitted to attend the meeting.

HANJER FIBRES LIMITED

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT AS REQUIRED u/s.173 (2) OF THE COMPANIES ACT,1956.

Item No. 3

A notice has been received from a member of the Company under Section 257 of the Companies Act,1956 proposing Mr.Nazim Ashraf Furniturewala as a candidate for the office of Director in place of Mr. Bhogilal Bachkaniwala who retires by rotation and signifying his intention to move the resolution as set out in item No.3 of this notice. The Directors recommended the resolution for the approval of the Shareholders.

Except Shri Irfan Ashraf Furniturewala and Shri Imran Ashraf Furniturewala being related to each other, no other directors of the Company is in any way concerned or interested in this resolution.

Item No. 4

A notice has been received from a member of the Company under Section 257 of the Companies Act,1956 proposing Mr. Nadeem Ashraf Furniturewala as a candidate for the office of Director in place of Mr. Abdul Razak Haji Vali Mohammed who retires by rotation and signifying his intention to move the resolution as set out in item No.4 of this notice. The Directors recommended the resolution for the approval of the Shareholders.

Except Shri Irfan Ashraf Furniturewala and Shri Imran Ashraf Furniturewala being related to each other, no other directors of the Company is in any way concerned or interested in this resolution.



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DIRECTORS' REPORT.

Dear Members,

The Directors have pleasure in presenting the Seventh Annual Report on the business and operation of the Company and Financial Accounts for the year ended 31st March, 1998.

1. FINANCIAL RESULTS

	1997-98 Rs. in Lacs.	1996-97 Rs. in Lacs.
Sales & Other Income	1776.04	1559.18
Profit Before Depreciation & Tax	65.09	98.23
Depreciation	47.98	55.13
Profit before Taxation	17.11	43.10
Provision for Taxation	2.21	5.56
Profit after Taxation	14.90	37.54
Balance of Profit of Previous Year	308.25	270.71
Balance	323.15	308.25
APPROPRIATIONS		
Surplus to Balance Sheet	323.15	308.25

2. OPERATIONS

The members will be happy to note that the Company during the year under report achieved higher turn over despite the adverse market conditions prevailing in the country. However, the profit for the year was lower compared to the previous year because of Cotton Crop was down last year, raw material prices are increased and Export Market declines due to South East Asian Countries economic crises.

3. DIVIDEND

Your Directors do not recommend any dividend for the year ended 31st March, 1998 with a view to plough back the profit.

4. DIRECTORS

- In accordance with the provisions of Article of Association of the Company Mr. Bhogilal Bachkaniwala will retire by rotation at the forthcoming Annual General Meeting and in his place it is proposed to appoint Mr. Nazim Ashraf Furniturewala about whose candidature a notice pursuant to Section 257 of the Companies Act, 1956 has been received from a member of the Company.
- In accordance with the provisions of Article of Association of the Company Mr. Abdul Razak Haji Vali Mohammed will retire by rotation at the forthcoming Annual General Meeting and in his place it is proposed to appoint Mr. Nadeem Ashraf Furniturewala about whose candidature a notice pursuant to Section 257 of the Companies Act, 1956 has been received from a member of the Company.

5. PARTICULARS OF EMPLOYEES

The information as required under section 217(2A) of the Companies Act 1956 read with Companies (Particulars of Employees) Rules 1975 are annexed, and form part of this report.

6. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information as per section 217(1) (e) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in ANNEXURE II forming part of this report.

7. AUDITORS REPORT.

The Notes to the Accounts referred to in the Auditors' Report is self explanatory and need no further explanation.

8. AUDITORS.

You are requested to appoint the Auditors and fix their remuneration.

9. ACKNOWLEDGEMENT.

Your Directors take this opportunity to place on record their warm appreciation of the valuable contribution, unstinted efforts and spirit of dedication shown by the employees and officers at all levels in the progress of the Company during the year under review. The Directors also take this opportunity to express their sincere thanks for the assistance, co-operation and support extended to your company by the bankers and financial institutions.

By Order of the Board

Irfan Furniturewala
Chairman & Managing Director

Mumbai, dated 5th September, 1998.

Redg. Office :

335, Shailmar House,
Grant Road,
Mumbai 400 007.

HANJER FIBRES LIMITED

ANNEXURE TO DIRECTORS' REPORT

Information under 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.

FORM A

I. Conservation of Energy :

(a) Energy conservation measures taken :

1. Added power capacitors and systems with automatic monitoring and control for improving the power factor.
2. Adopted use of natural lights wherever possible.
3. Improved operational methods helped in achieving better productivity which in turn reduced power consumption per kg. of output.
4. Greater employee awareness created about the need for energy conservation which resulted in switching off lights, fans and machinery when not required.

(b) Additional Investments and proposals if any, being implemented for reduction of consumption of energy.

Proposal for Energy Audit and adequate energy conservation measures with the help of expert consultancy are under consideration.

(c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.

Impact has not been measured.

(d) Power and Fuel Consumption.

	Current Year	Last Year
1. Electricity :		
a. Purchase Unit	2,88,318	22,14,935
Total Amount	8,81,928	Rs.60,92,842
Rate/Unit	3.05	2.75
b. Own Generation:	See Note	Note
Through Diesel Generator		
Unit		
Units per Ltr. of Diesel		
Oil		
Cost/Unit (Ave.)		
2. Coal:	N.A.	N.A.
Quantity (Tons)		
Average Rate		
3. Furnace Oil:	N.A.	N.A.
Quantity (K.Ltr.)		
Total Amount		
Average Rate		
4. Diesel		192810
Qty (K.Ltr)	6,60,300	
Total Amount	Rs. 71,22,600	
Average Rate	Rs. 10.78	

Note :-

D.G. sets has been installed for generation of power. But no separate electric meter is used for measuring electric units produced.

Consumption per unit of production :

Electricity (Unit)	N.A.	0.85
Coal (M. Ton)	N.A.	N.A.
Furnace Oil (K.Ltr.)	N.A.	N.A.
Diesel (K.Ltr.)	N.A.	0.074

FORM B

Disclosure of particulars with respect to Technology Absorption, Research and Development (R & D)

A) Research & Development (R & D)

1. *Specific Areas in which R & D carried out by the Company:*
The Company is carrying out continuous R & D efforts for developing qualities of various counts to make Company's product internationally acceptable and get certificate from ISO 9000.
2. *Benefits derived as a result of R & D:* The continuous R & D efforts has enabled company to produce high value coarse counts and consequent thereto now the Company is exporting its production.
3. *Future plan of action :* Quality Control on purchase of Raw Material and to continue to pursue R & D work for specialised counts to stabilize in export market.
4. *Expenditure on R & D :* Expenditure incurred are charged under primary heads of accounts and not allocated separately.

B) Technology Absorption , Adaptation & Innovation :

1. *Efforts in brief made towards technology absorption, adaptation & innovation :* Technology absorption is not involved as the process for the manufacture of different counts is being developed by the Company itself.
2. *Benefits derived as a result of the above efforts :* Benefits are being enjoyed by company in following forms.
 1. Introduction of new quality counts product.
 2. Improvement in existing products.
 3. Cost reduction.
 4. Improvement in quality.

FORM C

Foreign Exchange Earning & Outgo :

a) Foreign Exchange Earned	
through deemed exports	Rs. 3,54,60,128
b) Foreign Exchange Outgo :	
i) on import of Raw Material	Nil
ii) on import of Spare Parts	Nil
iii) on expenditure	Rs. 19,775

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ANNEXURE II TO DIRECTORS' REPORT

INFORMATIONS AS PER SECTION 217(2-A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 1998.

NAME	AGE	DESIG- NATION	REMUNER- ATION	DATE OF JOINING	QUALIFI- CATIONS	EXPERI- ENCE (years)	LAST EMPLOY- MENT
Irfan A. Furniturewala	30	Managing Director	3,00,000	01.09.94	B.Com	10	Business

Notes :

1. Remuneration as shown above includes, inter-alia, salary, allowances monetary value of perquisites as per Income Tax Rules and Company's contribution to Provident Fund, Superannuation and Gratuity.
2. Conditions of employment provide for termination of service by either party upon giving three months notice.

By Order of the Board of Directors

Irfan Furniturewala
Chairman & Managing Director

Mumbai, dated 5th September, 1998.

Regd Office :

335, Shalimar House,
Grant Road,
Mumbai 400 007.