

Hanjer 

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HANJER FIBRES LIMITED

*8th Annual Report
1998-99*

HANJER FIBRES LIMITED

HANJER FIBRES LIMITED

CHAIRMAN & MANAGING DIRECTOR

IRFAN ASHRAF FURNITUREWALA

DIRECTORS

IMRAN ASHRAF FURNITUREWALA

NADEEM ASHRAF FURNITUREWALA

NAZIM ASHRAF FURNITUREWALA

UMAR MERCHANT

NATVARLAL RANA
(Nominee of GIIC)

NARHARI NADHAMUNI
(Nominee of IDBI)

ADDITIONAL DIRECTOR
HARSHAD H. TRIVEDI

BANKERS

STATE BANK OF INDIA.

THE MEMON CO.OP. BANK LTD.

AUDITORS

S. R. Hegde & Co.,
4th Floor, Sakseria Chambers,
Nagindas Master Road,
Fort, Mumbai - 400 001.

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.

NOTICE

NOTICE is hereby given that the **Eighth Annual General Meeting** of the Members of the Company will be held at Shalimar Cinema Basement, 335, Grant Road, Mumbai - 400 007 on Thursday 30th September, 1999 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, 1999 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 a Director in place of Shri Imran Furniturewala who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Nazim Furniturewala who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

Special Business

5. 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. Harshad H. Trivedi, be and is hereby appointed as a Director of the Company in terms of Section 257 of the Companies Act, 1956."
6. To consider and if thought fit, to pass with or without modification the following Resolution as a Special Resolution:
"RESOLVED THAT pursuant to provisions of section 198, 269, 309, 314 and other applicable provisions if any of the Companies Act, 1956, read with Schedule XIII to the said Act the Company hereby approves the appointment of **Mr. Irfan Ashraf Furniturewala** as the Managing Director of the Company for a period of Five years with effect from 1st September, 1999 with liberty to either party to terminate the appointment on three months notice in writing to the other within the following terms as to remuneration as set out hereafter and with further liberty to the Directors from time to time to alter the said terms in such manner as may be agreed to between the Directors and **Mr. Irfan Ashraf Furniturewala** in the best interest of the Company within the limitations in that behalf as contained in Schedule XIII to the said Act.

1. Salary : Rs. 25,000/-

2. Perquisites:

i) Reimbursement of

Medical Expenses : The Managing Director shall be reimbursed the actual medical expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.

ii) Personal Accident insurance

: The Company shall pay the premium in respect of personal accident insurance of the Managing Director upto Rs.4,000/- p.a.

iii) Provident Fund, Super Annuation Annuity Fund

: The Company shall contribute towards the Provident Fund/Super Annuation Fund/Pension Annuity Fund provided that such contributions either singly or put together shall not exceed the tax

iv) Gratuity

free limit prescribed under the Income Tax Act.

: The Company shall pay gratuity at the rate of one half month's salary for each completed year of service.

v) Privilege Leave

: The Managing Director shall be entitled to one month's privilege leave for every eleven month's service. He shall be entitled to encash unavailed leave at the end of his tenure.

In addition to the above the Managing Director shall be provided with a car and driver and also telephone at his residence. However, use of car for personal purposes and personal long distances telephone calls shall be billed by the Company.

7. To consider and, if thought fit, to pass with or without modification(s), the following as a Special Resolution.

"RESOLVED THAT the shares of the Company which are listed on the Stock Exchanges at Ahmedabad, Baroda and Delhi, being non-regional exchanges, be de-listed from these exchanges subject to the necessary approvals and permissions."

"RESOLVED FURTHER THAT Mr. Irfan Furniturewala, Managing Director be and is hereby authorised to take such steps and do such acts or deeds or things as may be necessary, to give effect to the above."

By Order of the Board of Directors

Sd/-

Irfan A. Furniturewala
Chairman & Managing Director

Mumbai, dated 31st May, 1999

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.5 to 7 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, 1999 to 30th September, 1999. (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. 5**

In a meeting of the Board of Directors held on 29th January, 1999, Mr. Harshad H. Trivedi was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 to hold office up to the forthcoming Annual General Meeting. A notice in writing from a member has been received in accordance with Section 257 of the Companies Act, 1956 signifying his *intention to propose the appointment of Mr. Harshad H. Trivedi as a Director.*

Mr. Harshad H. Trivedi is an advocate by profession and has been associated with the Company. His continuation on the Board will be beneficial to the Company.

Your Directors recommend that Mr. Harshad H. Trivedi be appointed as a Director of the Company. None of the directors is concerned or interested in the resolution other than Mr. Harshad H. Trivedi.

Item No. 6

At the Annual General Meeting of the Company held on 12th August, 1994 the members had approved of the appointment of Mr. Irfan Furniturewala as Managing Director of the Company for a period of five years with effect from 1st September, 1994 on a salary of Rs. 25,000/- p.m. with perquisites. The Board of Directors of the Company at its meeting held on 15th July, 1999 re-appointed of Mr. Irfan Furniturewala for a further period of five years with effect from 1st September, 1999 subject to the approval of the shareholders at the forthcoming Annual General Meeting on terms set out in the resolution. The Board recommends the resolution for members approval.

None of the Directors is concerned or interested in the resolution except Mr. Irfan Furniturewala as it pertains to his own appointment and Mr. Imran Furniturewala, Mr. Nazim Furniturewala and Mr. Nadeem Furniturewala being his relative.

This may be treated as an abstract of the terms of appointment of Mr. Irfan Furniturewala, Managing Director pursuant to Section 302 of the Companies Act, 1956.

Item No. 7

The Company's shares are listed at Ahmedabad, Baroda and Delhi Stock Exchanges apart from the Stock Exchange, Mumbai which is the Regional Stock Exchange.

In the last one or two years, the Company's shares have seldom traded at Ahmedabad, Baroda and Delhi Stock Exchanges. As the trading in the Stock Exchange at Mumbai is being conducted through BOLT and shareholders from all over the Country have access to BOLT, *listing of the shares in Stock Exchanges other than Mumbai will not have any advantage considering the annual listing fees to be paid to the Exchanges.*

Therefore, the Board propose to de-list the shares of the Company from Ahmedabad, Baroda and Delhi Stock Exchanges. The Resolution Item No. 7 seeks the approval of the Shareholders for the de-listing of Shares per above.

None of the Directors of the Company is in any way concerned or interested in the above resolution.

DIRECTORS' REPORT

Dear Members ,

The Directors have pleasure in presenting the Eighth Annual Report on the business and operation of the Company and Financial Accounts for the year ended 31st March, 1999.

1. FINANCIAL RESULTS

(Rs. in Lacs)

	1998-99	1997-98
Sales & Other Income	1856.97	1776.04
Profit Before Depreciation & Tax	52.38	65.09
Depreciation	45.22	47.98
Profit before Taxation	7.16	17.11
Provision for Taxation	2.52	2.21
Profit after Taxation	4.64	14.90
Balance of Profit of Previous Year	323.15	308.25
Balance	327.79	323.15

APPROPRIATIONS

Surplus to Balance Sheet	327.79	323.15
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2. OPERATIONS

Your Directors have pleasure to state 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 low Export Market Demand, increase in raw material prices etc.

3. DIVIDEND

Your Directors do not recommend any dividend for the year ended 31st March, 1999 with a view to plough back the profit.

4. DIRECTORS

In accordance with the provisions of Article of Association of the Company, **Mr.Imran Furniturewala** will retire by rotation at the forthcoming Annual General Meeting and being eligible offer himself for reappointment.

In accordance with the provisions of Article of Association of the Company, **Mr.Nazim Furniturewala** will retire by rotation at the forthcoming Annual General Meeting and being eligible offer himself for reappointment.

5. Y2K COMPLIANCE

The Company has taken appropriate steps to be Y2K compliant and the expenditure for the said compliance will not have any major financial impact.

6. STOCK EXCHANGE LISTING

The Company's Shares are listed with the Mumbai Stock Exchange, Ahmedabad Stock Exchange, Vadodara Stock Exchange and Delhi Stock Exchange. Listing fees of Mumbai Stock Exchange for the year 1999-2000 has been paid. As regards , Vadodara, Ahmedabad, and Delhi Stock Exchanges the listing fees for the current year remains to be paid. Members are requested to pass appropriate resolutions to enable the company to get the Shares delisted at Ahmedabad, Vadodara and Delhi Stock Exchanges.

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.

5. 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.

6. AUDITORS' REPORT

The Notes to the Accounts referred to in the Auditors' Report is self explanatory and therefore do not call for further comments.

7. AUDITORS

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

8. 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

Sd/-

Irfan Furniturewala
Chairman & Managing Director

Mumbai , dated 31st May, 1999.

Regd. Office :
335, Shalimar 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	NIL	2,88,318
Total Amount	NIL	Rs .8,81,928
Rate/Unit	NIL	3.05
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		
Qty (K.Ltr)	7,02,700	6,60,300
Total Amount	62,34,210	71,22,600
Average Rate	8.87	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.	N.A.
Coal (M. Ton)	N.A.	N.A.
Furnace Oil (K.Ltr.)	N.A.	N.A.
Diesel (K.Ltr.)	N.A.	N.A.

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

Direct exports	:	22,03,840
Deemed exports	:	86,99,667

b) Foreign Exchange Outgo

i) on import of Raw Material	:	Nil
ii) on import of Spare Parts	:	1,08,795
iii) on expenditure	:	Nil