



**HANJER FIBRES LIMITED**

*11th Annual Report*  
**2001-2002**



**Shri Zakaria Aghadi**  
(1927-2000)

Report *Visionary, Pioneer.* Junction.com

*His inspiring spirit of enterprise continues to be  
the guiding force for all our activities and future growth.*

## HANJER FIBRES LIMITED

### CHAIRMAN & MANAGING DIRECTOR

IRFAN ASHRAF FURNITUREWALA

### DIRECTORS

NADEEM ASHRAF FURNITUREWALA

HARSHAD TRIVEDI

NATVARLAL RANA

### BANKERS

STATE BANK OF INDIA.

THE MEMON CO.OP. BANK LTD.

BANK OF BARODA

### AUDITORS

S. R. HEGDE & CO.,  
CHARTERED ACCOUNTANTS  
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.

## HANJER FIBRES LIMITED

### NOTICE

NOTICE is hereby given that the Eleventh Annual General Meeting of the Members of HANJER FIBRES LIMITED will be held at Shalimar Cinema Basement, 335, Grant Road, Mumbai 400 007 on Saturday the 28<sup>th</sup> September, 2002 at 11 a.m. to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2002 and the Profit & Loss Account for the year ended on that date together with the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Irfan A. Furniturewala who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Natvarlal Rana who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

**By Order of the Board**

Sd/-

**Irfan Furniturewala**

Chairman & Managing Director

**Registered Office:**

335, Shalimar House,  
Grant Road,  
Mumbai 400 007

Dated: 28<sup>th</sup> August, 2002

### NOTE:

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 Register of Members and the Share Transfer books of the Company will be closed from Monday the 23<sup>rd</sup> September 2002 to 27<sup>th</sup> September, 2002. (both days inclusive).
3. 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.
4. Proxy should be lodged with the company at least 48 hours before the commencement of the meeting.
5. Members requiring any information about the accounts are requested to write to the Company at least one week before the date of meeting.
6. Only registered members carrying the Attendance slip and the holders of valid proxies registered with the Company will be permitted to attend the meeting.

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## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Eleventh Annual Report together with the Audited Accounts for the year ended 31st March 2002.

### 1. FINANCIAL RESULTS:

	(Rs. in Lacs)	
	2001-2002	2000-2001
Sales & Other Income	3797.19	3304.38
Profit Before Depreciation & Tax	147.71	116.79
Depreciation	61.87	48.49
Profit before Taxation	85.84	68.30
Provision for Taxation	7.14	8.27
Profit after Taxation	78.70	60.03
Balance of Profit of Previous Year	401.36	341.33
Balance	480.06	401.36
APPROPRIATIONS		
Surplus to Balance Sheet	480.06	401.36

### 2. OPERATIONS:

Company's turnover has increased from Rs. 3283.82 lakhs to Rs. 3792.74 lakhs and profit before taxation from 68.30 lakhs to 85.84 lakhs. The company has set an ambitious target and foresees sizeable growth in turnover and profits in the years to come. The Company's Upgradation cum Modernisation project under TUFs is completed and commercial production commenced from 1-1-2002. We are sure that we would be able to exceed your expectation about the performance of the Company both in terms of turnover and profits during the current year 2002-03. The Company has installed 2200 Spindles as Pilot Project for the Company's proposed expansion of high value Ring Frame Units Project.

### 3. DIVIDEND:

Your Directors do not recommend any dividend for the year ended 31st March, 2002.

### 4. FIXED DEPOSITS:

The Company has not accepted any Public Deposit during the year nor there is any deposit outstanding for repayment.

### 5. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

The information as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Directors) Rules, 1988 is given in the Annexure to the Report.

### 6. DIRECTORS:

During the year under review, Shri Imran A. Furniturewala and Shri Nazim A. Furniturewala resigned as director on

account of their pre occupation. Your board appreciates sincere services rendered by them during their tenure.

Shri Irfan A. Furniturewala and Shri Natvarlal Rana retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment

### 7. DIRECTORS RESPONSIBILITY STATEMENT:

Your Directors state

- that in the preparation of the annual accounts for the year ended 31.03.2002, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- that while preparing the annual accounts the policies selected are consistent and the judgements and estimates applied are 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 financial results of the company for the year ended on 31-03-2002.
- that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the directors had prepared the annual accounts for the year ended on 31.03.2002 on a going concern basis.

### 8. DEMATERIALISATION OF EQUITY SHARES:

The Equity Shares of your Company have been included in the list in which trading is compulsory in dematerialised form for all the shareholders of the Company. The Company is in the process of entering into the necessary agreement with the depositories viz. Central Depository Services (India) Limited and National Securities Depositories Limited to establish the required connectivity with both the depositories.

### 9. LISTING ON STOCK EXCHANGE:

The Company's Shares are listed with the Mumbai Stock Exchange, Ahmedabad Stock Exchange, Vadodara Stock Exchange and Delhi Stock Exchange. Listing fees of all the Stock Exchanges has been paid for 2002-2003.

The Company is required to comply with the provisions of the listing agreement relating to Corporate Governance not later than 31st March 2003. The Company has already initiated measures of good Corporate Governance and the same will be implemented by March 2003. In the mean while the Company has constituted Audit Committee as per requirement of the listing agreement.

### 10. PREFERENTIAL ALLOTMENT OF SHARES TO PROMOTERS

32,00,000 Equity Shares of Rs. 10/- each allotted to the

## HANJER FIBRES LIMITED

Promoters on Preferential basis have been listed with the Stock Exchanges.

### 11. PARTICULARS OF EMPLOYEES:

During the year under review there was no employee in respect of whom of disclosure is required to be made as per provisions of Section 217(2A) of the Companies Act 1956 read with Companies (Particulars of Employees) Rules 1975.

### 12. AUDITORS' REPORT.

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

### 13. AUDIT COMMITTEE

The Company has constituted an Audit Committee of the Directors, pursuant to the provisions of the Companies (Amendment) Act, 2000. The Board has defined the scope of the Audit Committee to cover all the areas provided for in the Companies Act, 1956, as amended

### 14. AUDITORS:

The Auditors of the Company M/s. S.R. Hegde & Co., Chartered Accountants, Mumbai retire at the ensuing Annual General Meeting and are eligible for re-appointment.

### 15. 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

Place: Mumbai

Date: 28th August 2002

### Registered Office:

335, Shalimar House, Grant Road,  
Mumbai 400 007

## 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.

- i) The Company has procured Gasifier Units which are promoted By MNES and GEDA for alternative Dual fuel system to be used in its DG Sets.

The company proposes to convert the entire DG Set equipment to Dual fuel system, thereby bringing down the fuel cost to 70% of existing level by 2002 December.

- ii) 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	NIL
Total Amount	NIL	NIL
Rate/Unit	NIL	NIL
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		

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	Current Year	Last Year
4. Diesel		
Qty (K.Ltr)	14,23,900	10,16,000
Total Amount	Rs. 2,05,14,969	Rs. 1,58,31,241
Average Rate	14.41	15.28

Note: D.G. sets and Gasifire 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.

**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	:	NIL
Deemed exports	:	NIL

**b) Foreign Exchange Outgo**

i) on import of Raw Material	:	NIL
on imports of Capital Goods	:	NIL
on import of Spare Parts	:	Rs. 45,444
on expenditure	:	NIL

By Order of the Board

Sd/-

Irfan Furniturewala

Chairman & Managing Director

Place: Mumbai  
Date: 28th August 2002

**Registered Office:**

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Mumbai 400 007