

## **HANJER FIBRES LIMITED**

**CHAIRMAN & MANAGING DIRECTOR**  
**DR. MOHD. IRFAN ASHRAF FURNITUREWALA**

### **DIRECTORS**

Natvarlal Rana  
Gajanan Krishna Salunke

### **BANKERS**

Punjab National Bank

### **AUDITORS**

S. M. Bhat & Associates  
Chartered Accountants  
338, Dhēeraj Heritage,  
Opp. To Milan Subway,  
S. V. Road, Santacruz (W),  
Mumbai 400054  
Membership No. 30696

### **REGISTERAR AND SHARE TRANSFER AGENT**

Adroit Corporate Services Pvt. Ltd.  
19/20, Jaferbhoy Industrial Estate,  
Makwana Road, Marol Naka,  
Andheri (East)  
Mumbai – 400059  
Tel : 91-22-242270400, 28594060 Fax 28503748  
Email: adroits@vsnl.net

### **COMPLIANCE OFFICER**

HEMAL H. DARJI

### **REGISTERED OFFICE HANJER FIBRES LIMITED**

335, Shalimar House,  
Grant Road, Mumbai – 400007  
Tel: 91-22-23018001



## NOTICE

**NOTICE** is hereby given that the Twenty First Annual General Meeting of the Members of HANJER FIBRES LIMITED will be held at Shalimar House, 335, Grant Road, Mumbai 400 007 on Tuesday the 28<sup>th</sup> August, 2012 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, 2012, the Profit & Loss Account for the year ended on that date and the Cash Flow Statement 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 Gajanan Salunke who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.



By Order of the Board

**Dr. Mohd. Irfan Furniturewala**  
Chairman & Managing Director

**Registered Office:**

335, Shalimar House,  
Grant Road,  
Mumbai 400 007

Dated: 31<sup>st</sup> May, 2012

**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. Proxy should be lodged with the company at least 48 hours before the commencement of the meeting.
3. The Register of Members and the Share Transfer books of the Company will remain closed between Thursday the 19<sup>th</sup> July, 2012 and Friday the 27<sup>th</sup> July, 2012. (both days inclusive).
4. Members are requested to :
  - a) Intimate changes, if any in his/her registered address at an early date.
  - b) Quote ledger folio number in all the correspondence.
  - c) Intimate about consolidation of folios, if share holdings are under multiple folios.
  - d) Bring his/her copy of the Annual Report and the Attendance slips with them at the Annual General Meeting.
  - e) Consider Dematerializing the equity shares held by his/her in physical form.
  - f) Get the shares transferred in joint names, if shares are held in single name or appoint nominee, to avoid inconvenience.

- g) *Send to the Company duly filled in form for appointment of nominee for the shares held. The prescribed form for appointment of nominee will be made available on request.*
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.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrars and Transfer Agents Adroit,





**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting the Twenty First Annual Report together with the Audited Accounts for the year ended 31<sup>st</sup> March 2012.

**1. FINANCIAL RESULTS**

	(Rs.in Lacs)	
	2011-2012	2010-11
Sales & Other Income	0.18	6.15
Loss Before Depreciation & Tax	-56.93	-99.84
Depreciation	139.02	139.02
Loss before Current Tax	-195.95	-238.86
Prior year adjustments	0.24	0.00
Provision for Current Tax	0.00	0.00
Loss after Tax	-195.71	-238.86
Provison for Deferred Tax	0.00	0.00
Net Loss	-195.71	-238.86
Balance of Profit of Previous Year	-2668.90	-2430.04
Balance	-2864.61	-2668.90
APPROPRIATIONS		
Surplus to Balance Sheet	-2864.61	-2668.90

**2. OPERATIONS**

During the year under review Company's plant remained closed due to non viability of the Unit. The Company has not done any business activities (Last year turnover Rs.NIL). The Company has incurred loss of Rs 195.71 lacs after providing for tax as against loss of Rs. 238.86 lacs in the previous year.

**3. DIVIDEND**

In view of the losses your Directors are unable to recommend any dividend for the year ended 31<sup>st</sup> March, 2012.

**4. FIXED DEPOSITS**

The Company has not accepted any Public Deposit during the year nor there 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

Shri Gajanan Salunke Director retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for reappointment

## 7. DIRECTORS RESPONSIBILITY STATEMENT

Your Directors state

- a. that in the preparation of the annual accounts for the year ended 31.03.2012, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. that while preparing the annual accounts the policies selected are consistent and the judgments 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 31-03-2012.
- c. 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;
- d. that the directors had prepared the annual accounts for the year ended on 31.03.2012 on a going concern basis.

## 8. LISTING ON STOCK EXCHANGE

Due to non-compliance with the provisions of the Listing Agreement by the Company trading in equity shares of the Company suspended by Bombay Stock Exchange w.e.f. 19/12/2011, and after compliance of all requirements, Company has received In-Principle Approval for revocation of suspension in trading of equity shares of the Company. The Company's Shares are listed with the Mumbai Stock Exchange, Ahmedabad Stock Exchange, Vadodara Stock Exchange and Delhi Stock Exchange.

## 9. CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a compliance report on the Corporate Governance forms part of the Annual Report along with Auditors' Certificate on its compliance.

## 10. MANAGEMENT DISCUSSION AND ANALYSIS

### Overview

The Company's plants remained closed during the year under review due to non viability of the unit. The Company has not done any trading activities during the year under review.

### Business of the Company

During the year Company has not done any business activity. However, the Company is mainly engaged in the business of manufacturing Coarse Count Cotton Yarn and The Company has presently discontinued its business activities due to non viability of the unit.

### Industry Structure and Developments

India has the unique distinction of possessing all possible varieties of cotton. India is able to offer a wide variety of cotton textiles since she is, perhaps, the producer of largest range of cottons in the world. Besides being one of the four biggest producers of raw cotton in the World. In between, there are all staple lengths and micromere values. And of course India has consumers with all kinds of incomes. The production of raw cotton in India has grown steadily





over the years. However due to export of raw cotton post WTO 2005 the present product mix is unviable.

### **Business Outlook**

The product mix became a major problem as due to exports of short and medium staple cotton leading to major competition from China due to which the end products made out of short and medium staple cotton fibre became highly competitive in price hence unviable. Hence, turnaround can be expected only after forward integration and modification of product mix.

### **Risks and Concerns**

The Company's expectations and estimates may vary and the same are dependent on factors like monsoons, general economical conditions, terrorists attacks etc. affecting market sentiments in addition, the government policies and tax implications.

### **Audit Committee & Internal Control System**

The Audit Committee appointed under the Board of Directors reviews the adequacy and effectiveness of the internal control systems and suggests improvement for strengthening them, from time to time. The company has instituted adequate internal control procedure commensurate with the nature of its business size of its operations. Regular internal Audits and checks ensure that responsibilities are executed effectively.

### **Human Resources**

The Company's industrial relations were cordial.

### **Cautionary Statement**

Estimates and expectations stated in this Management Discussion and Analysis may be "forward-looking statement" within the meaning of applicable securities, laws and regulations. Actual results could differ materially from those expressed or implied.

## **11. PARTICULARS OF EMPLOYEES:**

During the year under review there was no employee in respect of whom 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 are self explanatory and need no further explanation.

## **13. AUDITORS:**

The Auditors M/s. S.M. Bhat & Associates, Chartered Accountants, retire at the conclusion of this Annual General Meeting. M/s. S.M. Bhat & Associates, Chartered Accountants have informed the Company that, if appointed, their appointment will be within the prescribed limits under Section 224(1B) of the Companies Act, 1956. Accordingly, the Shareholders approval is being sought to their appointment as the Auditors of the Company at the Annual General Meeting.

## **14. 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 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.



Mumbai, date: 31<sup>st</sup> May, 2012

**Registered Office:**

335, Shalimar House,  
Grant Road,  
Mumbai 400 007

By Order of the Board

  
**Dr. Mohd. Irfan Furniturewala**  
Chairman & Managing Director

**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:**

The Company's unit is closed however suitable measures had been taken in past to conservation of energy.

**(b) Power and Fuel Consumption.**

	Current Year	Last Year
1. Electricity :		
a. Purchase Unit		
Total Amount	Rs.506,601	Rs.486,030
Rate/Unit		
b. Own Generation:	N.A.	N.A.
Through Diesel Generator Unit		
Units per Ltr. of Diesel oil		
Cost/Unit (Ave.)		
2. Coal:	N.A.	N.A.
Quantity (Tons)		
Average Rate		
3. Gas:		
Quantity (K.Ltr.)	Nil	NIL
Total Amount	NIL	NIL
Average Rate		
4. Diesel		
Qty (Ltr)	NIL	NIL
Total Amount	NIL	NIL
Average Rate		

**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 activities for improving qualities of various counts to make Company's product mix viable.

**2. Benefits derived as a result of R & D:**

The proposal for modification, up gradation and forward integration are under preparation for revival of the Company by improving its viability.

**3. Future plan of action :**

Quality Control on purchase of Raw Material and to continue to pursue R & D work for specialised counts to improve viability.

**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	:	NIL
on expenditure	:	NIL



**By Order of the Board**

**Dr. Mohd. Irfan Farniturewala**  
Chairman & Managing Director

**Registered Office:**

335, Shalimar House,  
Grant Road,  
Mumbai 400 007  
Dated: 31<sup>st</sup> May, 2012

## CORPORATE GOVERNANCE REPORT

In pursuance of Clause 49 of the Listing Agreement entered into with the Stock Exchanges relating to Corporate Governance, the details of Compliance made by the Companies are furnished as under:-

### 1. Company's Philosophy on Code of Corporate Governance

The Company accords utmost importance to the observance of the best corporate governance practices in all its activities. The Company's corporate governance policy aims at maximizing the Shareholders' value with improvement in performing of the Company and protecting the interests of all the stakeholders through increased transparency in its operations, accountability, integrity and compliance of statutory requirements.

### 2. Board of Directors:

The Board of Directors of the Company comprises of Executive and Independent Directors. The Company has Executive Chairman. In all there are three directors of which two are independent non executive directors. As on 31st March 2012, the composition of the Board of Directors of the Company meets the stipulated requirements of Clause 49 of the listing agreement with the Stock Exchange. Memberships of the Directors on other boards/committees are given here under:

Name of the Director	Category	Executive/Non Executive/ Independent	No. of outside Directorship in Public Limited Companies *	Membership held in Committee of Directors #	Chairmanship held in committee of Directors
Dr. Mohd. Irfan A. Furniturewala	C&MD	Executive	Nil	1	-
Mr. Natwarlal Rana	Independent	Independent	Nil	2	1
Mr. Gajanan Salunke	Independent	Independent	Nil	2	1

\* This excludes directorship held in Private Companies

# Committee of Directors include Audit Committee and Share Transfer Committee

### 3. Number of Board Meetings and attendance record of Directors

The Board meets at least once in a quarter to consider amongst other business the performance of the Company and financial results. The particulars of Board Meetings held during 2011-12 as well as attendance of Directors at the Board Meetings are given below:

Details of Board Meetings:

Number of Board Meetings held during 2011-12:

Sr. No.	Date of Board Meeting
1.	31.05.2011
2.	31.07.2011
3.	30.10.2011
4.	31.01.2012

