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SARLA

POLYESTER LIMITED

100% EOU

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4TH
ANNUAL
REPORT
1996-97



BOARD OF DIRECTORS

Mr. Madhusudan S. Jhunjhunwala	Chairman
Mr. Krishnakumar M. Jhunjhunwala	Managing Director
Mr. Sanjay S. Karandikar	Whole-Time Director
Mr. Harisingh Maheshwari	Director
Mr. Sushil Kanwar Sain	Director
Mr. Rajen R. Shah	Director

AUDITORS

M/s. Sundarlal, Desai & Kanodia
Chartered Accountants
Mumbai

BANKER

Oriental Bank of Commerce

REGISTERED OFFICE & FACTORY

Survey No.: 59/1/4, Aml
Piparia Industrial Estate
Silvassa - 396 230
U.T. of Dadra & Nagar Haveli

AK
20/9/96

ADMN. OFFICE

304, Arcadia
Nariman Point
Mumbai - 400 021

SHARE TRANSFER AGENT

Shepan Consultants Limited
Financial & Management Consultants
Share Register Division
82/86, Perin Nariman Street
Fort, Mumbai - 400 001

4th Annual Report

NOTICE

NOTICE is hereby given that the **FOURTH ANNUAL GENERAL MEETING** of the members of **SARLA POLYESTER LIMITED** will be held on **TUESDAY, the 30TH SEPTEMBER, 1997 at 12.30 p.m.** at the Registered Office of the Company at Survey No.: 59/1/4, Amli Piparia Industrial Estate, Silvassa - 396 230, U.T. of Dadra & Nagar Haveli to transact the following business :

ORDINARY BUSINESS :

1. To consider and adopt the audited Balance Sheet as at 31st March, 1997 and the Profit and Loss Account for the year ended as on that date together with schedules thereon and the reports of the Directors and Auditors.
2. To recommend dividend on the Equity Shares.
3. To appoint a Director in place of Mr. Sushil K. Sain, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Rajen R. Shah, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

Administrative Office :

304, Arcadia
Nariman Point
Mumbai - 400 021

For & on behalf of the Board

MADHUSUDAN S. JHUNJHUNWALA
CHAIRMAN

Date : 23rd August, 1997

NOTES :

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 SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies in order to be effective must be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.
3. The Register of members and share transfer books of the Company will remain closed from 26th September, 1997 to 30th September, 1997 (both days inclusive).
4. Dividend if declared, will be made payable to the shareholders whose name will appear on the Register of members on 30th September, 1997.
5. Members are requested to :
 - a. Promptly notify the Company change in the address, if any.
 - b. Quote their ledger Folio Number in all their Correspondence.



- c. Send their queries, if any, atleast 10 days in advance of the date of the Meeting so that the information can be made available at the meeting.
- d. Bring the copy of the Annual Report along with them as copies of the Report will not be distributed at the meeting in view of increased cost of printing.
- e. Furnish the following information to avoid wrongful encashment of Dividend warrants of the Company :

Folio No. :

Name of Shareholder :

Current/Savings A/c :

Name of Bank/Branch :

Address :

Signature of Shareholder(s) :

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1st Sh. holder

Joint Sh.holder(s)

4th Annual Report

DIRECTORS' REPORT

To
The Members
SARLA POLYESTER LIMITED

Your Directors have pleasure in presenting their **Fourth Annual Report** on the business and operations of the Company together with Audited statement of Accounts for the year ended 31st March, 1997.

1. FINANCIAL RESULTS

(Rs. in Lakhs)

	<u>1996-97</u>	<u>1995-96</u>
Total Income	2685.41	3124.11
Profit before interest and Depreciation	328.97	266.43
Less:(1) Interest 158.67		
(2) Depreciation <u>41.26</u>	199.93	75.57
Profit before tax	129.04	190.86
Less : Provision for tax	0.53	Nil
Provision for tax on dividend	3.47	Nil
Profit after tax	125.04	190.86
Excess provision for dividend of earlier year written back	20.85	Nil
Balance Brought forward	123.54	13.28
Surplus available for appropriation	<u>269.43</u>	<u>204.14</u>
	=====	=====

2. APPROPRIATION

Proposed Dividend	34.75	55.60
Transfer to General Reserve	25.00	25.00
Balance carried forward	209.68	123.54
	<u>269.43</u>	<u>204.14</u>
	=====	=====

3. OPERATING RESULTS AND PROSPECTS

During the year under review, the Company achieved a total income of Rs. 2685.41 Lakhs. This total income has been achieved by way of Income from Operations of Rs. 2669.01 Lakhs and Other Income of Rs.16.40 Lakhs. The current year working for the first four months is much better with prices of the raw materials having stabilised and not subject to wide fluctuations as witnessed in the past years.

4. DIVIDEND

Your Directors are pleased to recommend dividend for the year ended 31st March, 1997 at the rate of 5%, for payment against 15% projected in the Prospectus of the Company.

5. DIRECTORS

Mr. Sushil K. Sain and Mr. Rajen R. Shah, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Directors recommend their re-appointment.

6. FIXED DEPOSIT

The Company has not accepted any deposit within the meaning of Section 58-A of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules, 1975.

7. PERSONNEL

Particulars of employees within the meaning of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particular of Employees) Rules, 1975, as amended by the Companies Amendment Act, 1988, are not applicable since there were no employees who were in receipt of remuneration prescribed under the Rules.

8. AUDITORS' REPORT

With reference to the observations made by the Auditors in their report, the Directors wish to state that the notes forming part of the Company's Accounts are self-explanatory, and hence do not require any further explanations.

9. AUDITORS

M/s Sundarlal, Desai & Kanodia, the Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment. The Company has received the certificate from the Auditors to the effect that their re-appointment if made, will be within the limits stipulated under Section 224(1B) of the Companies Act, 1956.

10. ENVIRONMENT SAFETY & ENERGY CONSERVATION

The Company's activities at Silvassa are only texturising and twisting hence there is no pollution created while carrying out the said manufacturing activities of the Company.

At the Dyeing unit in Vapi proper pollution control measures have been installed.

The Company's management has provided enough consideration for a healthy working environment and in minimising happenings of accidents and health hazards.

In the area of energy conservation, work is carried out with optimum levels of consumption of captive power and fuel thereof.

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FORM A

Form for Disclosure of Particulars with respect to Conservation of Energy.

A) I. Electricity		Current year	Previous year
(a) Purchased			
Unit		N.A	N.A
Total amount [Rs.]		N.A	N.A
Rate/unit [Rs.]		N.A	N.A
(b) Own Generation			
(i) Through diesel generator			
Unit		6196713	4689746
Units per ltr.of diesel oil		3.51	3.21
Cost/unit (Rs.)		2.08	2.04
(ii) Through steam turbine/- generator			
Units		—	—
Units per Ltr. of fuel oil/gas		—	—
Cost/units		—	—
2. Coal (Specify quality & where used)			
Quantity (tonnes)		—	—
Total Cost		—	—
Average Rate		—	—
3. Furnace Oil			
Quantity (K.Ltrs.)		—	—
Total Amount		—	—
Average Rate		—	—
4. Others/internal generation			
Quantity		—	—
Total Cost		—	—
Rate/unit		—	—

B. Consumption per unit of production

	Standards (if any)	Current year	Previous year
Products (with details) Unit			N.A.
Electricity	—	—	—
Furnace Oil	—	—	—
Coal (specify quality)	—	—	—
Others (specify) DIESEL	—	0.29	0.32 (ltrs)

FORM 'B'

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

- | | |
|--|---|
| 1. Specific areas in which R & D is carried out by the Company | Efforts are being made to establish R & D facilities for improvement in inhouse processing. |
| 2. Benefits derived as a result of the above R & D | N.A. |
| 3. Future Plan of Action | As in 1 |
| 4. Expenditure on R & D | |
| (a) Capital | |
| (b) Recurring | |
| (c) Total | NIL |
| (d) Total R & D expenditure as a percentage of total turnover. | |

Technology absorption, adaptation and innovation.

- | | |
|---|---|
| 1. Efforts in brief, made towards technology absorption, adaptation and innovation. | Continuous efforts towards improvement of productivity and quantity |
| 2. Benefit derived as a result of the above efforts e.g. product improvement, cost reduction, development, import substitution etc. | Benefits will accrue. |
| 3. In case of Imported Technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished. | |
| (a) Technology Imported | NOT APPLICABLE |
| (b) Year of Import | |
| (c) Has Technology been fully absorbed ? | |
| (d) If not fully absorbed areas where this has not taken place, reasons therefor and future plans of action | |