



SAN RLA

POLYESTER LIMITED

100% EOU

5TH

ANNUAL REPORT

1997-98





BOARD OF DIRECTORS	Mr. Madhusudan S. Jhunjunwala	Chairman
	Mr. Krishnakumar M. Jhunjunwala	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
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AD	✓	BKC	✓
CS	NA	DPY	NA
PO	✓	DEV	NA
TRA	✓	AC	✓
AGM	✓	SHI	✓
YE	✓		

REGISTERED OFFICE & FACTORY	Survey No.: 59/1/4, Amlī Piparia Industrial Estate Silvassa - 396 230 U.T. of Dadra & Nagar Haveli
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ADMN. OFFICE	304, Arcadia Nariman Point Mumbai-400 021
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SHARE TRANSFER AGENT	Shepan Consultants Limited 82/86, Perin Nariman Street Fort, Mumbai-400 001
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NOTICE

NOTICE is hereby given that the **FIFTH ANNUAL GENERAL MEETING** of the members of **SARLA POLYESTER LIMITED** will be held on **Wednesday**, the **30th** day of **September, 1998** 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, at **10.30 a.m.** to transact the following business :

ORDINARY BUSINESS :

1. To consider and adopt the audited Balance Sheet as at 31st March, 1998 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 appoint a Director in place of Mr. Madhusudan S. Jhunjhunwala, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Sanjay Karandikar, who retires by rotation and being eligible offers himself for re-appointment.
4. 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 : 30th June, 1998

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 29th September, 1998 to 30th September, 1998 (both days inclusive).
4. Members are requested to :
 - A. Quote their Ledger Folio Number in all their Correspondence.
 - B. 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.
 - C. 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 and
 - D. Change in their Address, if any.

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DIRECTORS' REPORT

To
The Members

Your Directors have pleasure in presenting their **Fifth Annual Report** on the business and operations of the Company together with Audited statement of Accounts for the year ended 31st March, 1998.

1. FINANCIAL RESULTS

(Rs. in Lacs)

	<u>1997-98</u>	<u>1996-97</u>
Total Income	3560.89	2685.41
Profit before interest and Depreciation	412.84	328.97
Less: (1) Interest	161.19	
(2) Depreciation	46.98	
	208.17	199.93
Profit before tax	204.67	129.04
Less : Provision for tax	---	0.53
Profit after tax	204.67	128.51
Excess provision for dividend of earlier year written back	---	20.85
Balance Brought forward	209.68	123.54
Surplus available for appropriation	<u><u>414.35</u></u>	<u><u>272.90</u></u>

2. APPROPRIATION

Proposed Dividend	---	34.75
Provision for tax on dividend	---	3.47
Transfer to General Reserve	20.00	25.00
Balance carried forward	394.35	209.68
	<u><u>414.35</u></u>	<u><u>272.90</u></u>

3. OPERATING RESULTS AND PROSPECTS

The turnover and profitability in the year 1996-97 was lower due to severe price fluctuation and lower level of prices obtained in the said year. The overall profitability of the Company continues to be under strain because of a global recession prevailing the entire spectrum of the Industry. However in the year 1997-98, Company has improved its profitability due to part diversification into other Synthetic yarns and value added products.

The position is expected to be better in future as the unit is diversifying to increase production of nylon yarns. It is a market driven change of the product mix. It shall result in increase of production and higher value addition, since the product has better demand in the International Market. The Company is confident to achieve its projections in the coming years.



4. DIVIDEND

Your Directors do not recommend dividend for the year ended 31st March, 1998 on account of ploughing back the profit for proposed expansion.

5. DIRECTORS

Mr. Madhusudan S. Jhunjhunwala and Mr. Sanjay Karandikar, 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

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.

9. ENVIRONMENT SAFETY & ENERGY CONSERVATION

a) Environment Safety

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 Units, effluent treatment plant has been installed in accordance with the requirement of Pollution Control Laws.

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

b) Energy Conservation & Additional Investments

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

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install in the forth coming year, a Solar Hot Water System at the dyeing unit. The Company also aims to achieve better efficiency on the DG sets by modifying inputs.

FORM A

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

A) I. Electricity	Current year	Previous year
(a) Purchased		
Unit	271088	N.A
Total amount [Rs.]	935308.60	N.A
Rate/unit [Rs.]	3.45	N.A
(b) Own Generation		
(i) Through diesel generator		
Unit	7624622	6196713
Units per ltr.of diesel oil	3.02	3.51
Cost/unit (Rs.)	Rs. 2.73	Rs. 2.08
(ii) Through steam turbine generator	—	—
2. Coal (Specify quality & where used)	—	—
3. Furnace Oil	—	—
4. Others/internal generation	—	—
B. Consumption per unit of production		

	Standards (if any)	Current year	Previous year
Products (with details) Unit			
Electricity	—	3.45 (mtr)	N.A.
Furnace Oil	—	—	—
Coal (specify quality)	—	—	—
Others (specify) DIESEL	—	0.41 (ltrs)	0.29 (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	New Product Development, Process Development and Optimising process parameters.
2. Benefits derived as a result of the above R & D	Introduction of several new types of Polyester and Nylon Yarns.



3. Future Plan of Action

To meet the changing requirement of customers around the world and development of new products.

4. Expenditure on R & D

- (a) Capital
- (b) Recurring
- (c) Total

All machineries are dedicated for operational as well as R & D activities. Hence no separate accounts are maintained and as such expenditure on R & D is not separately ascertainable.

- (d) Total R & D expenditure as a percentage of total turnover.

N.A.

Technology absorption, adaptation and innovation.

- 1. Efforts in brief, made towards technology absorption, adaptation and innovation.

Continuous efforts towards improvement of process, equipment and products are carried out to suit market requirements and to achieve optimum operational efficiency.

- 2. Benefit derived as a result of the above efforts e.g. product improvement, cost reduction, development, import substitution etc.

Introduction of several new products.

- 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
- (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

NOT APPLICABLE

10. EXPORT PLANS & FOREIGN EARNINGS AND OUTGO

The Company has now established a solid customer base in European countries especially Italy, Portugal, Spain and U.K.