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SHARAD FIBRES & YARN PROCESSORS LIMITED

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**10TH
ANNUAL REPORT
1996-97**





SHARAD FIBRES & YARN PROCESSORS LIMITED

BOARD OF DIRECTORS

Amarchand Dalmia	:	CHAIRMAN
Ravi Dalmia	:	MANAGING DIRECTOR
Anand Arya	:	DIRECTOR
Aditya Dalmia	:	DIRECTOR

REGISTERED OFFICE

Rang Mahal, 3rd Floor,
212/216, Samuel Street,
Vadgadi, Mumbai- 400 003.

CORPORATE OFFICE

202, Venkatesh Chambers,
Prescot Road, Fort,
Mumbai- 400 001

FACTORY

110/111, Govt. Indstl. Est.,
Masat, Silvassa -396230.
Dadra & Nagar Haveli (U.T).

AUDITORS

M/s. Vinod S. Mehta & Co.,
114-A, Jolly Bhavan No.1,
10, New Marine Lines,
Mumbai - 400 020.

BANKERS

Central Bank of India
Mumbai Main Office.
Mumbai -400 023.

Dena Bank,
Amli Branch,
Silvassa.

SHARE TRANSFER AGENTS

M/s. Epic Financial Consultancy
Services Pvt. Ltd.
201/202, New India Industrial Estate,
Plot No.33, Off. Mahakali Caves Road,
Andheri (E), Mumbai- 400 093.

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NOTICE

NOTICE IS HEREBY GIVEN that the 10th Annual General Meeting of the Members of M/s. Sharad Fibres and Yarn Processors Limited will be held on Tuesday, the 30th day of September, 1997 at 9.30 A.M. at the Corporate office of the Company at 202, Venkatesh Chambers, Prescott Road, Fort, Mumbai - 400 001 to transact the following business :-

ORDINARY BUSINESS :-

1. To receive, consider and approve the audited Profit & Loss Account of the Company for the year ended 31st March, 1997 and the Audited Balance Sheet as on that date, together with the Report of the Directors and Auditors thereon.
2. To sanction the declaration and payment of Dividend on Equity Shares.
3. To appoint a Director in place of Mr. Anand Arya, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

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 A PROXY NEED NOT BE A MEMBER.

Proxies duly stamped and executed, must reach the Registered Office of the Company not less than 48 hours before the commencement of the Annual General Meeting.

2. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 19th September, 1997 to Tuesday, the 30th September, 1997 (both days inclusive).
3. Members are requested to intimate any changes in their address either to Company's Share Transfer Agents of the Company or at the registered office of the Company.
4. All documents referred to in the Notice are open for inspection at the Registered Office of the Company during office hours on all working days except public holidays between 10.30. a.m. and 12.30 p.m. upto the date of the Annual General Meeting.
5. As a measure of economy copies of Annual Report will not be distributed at the Annual General Meeting. Therefore Members are requested to bring their copy of the Annual Report to the Meeting.

**SHARAD FIBRES & YARN PROCESSORS LIMITED**

6. The Dividend, as recommended by the Board of Directors if approved by the shareholders will be paid on or after 30th September, 1997 and would not attract any tax in the hands of the shareholders and will be paid to those shareholders whose names will appear as members in the books of the Company on 30th September, 1997.

7. Shareholders seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.

8. Members who have multiple folios in identical names or joint names in the same order are requested to send all the share certificates to the Company for consolidation of all such Shareholdings into one folio to facilitate better service.

Regd. Office:
Rang Mahal, 3rd Floor,
212/216, Samuel Street,
Vadgadi, Mumbai : 400 003.

For and on behalf of the Board
For SHARAD FIBRES & YARN
PROCESSORS LTD.

Dated : 30th July, 1997.

Ravi Dalmia
Managing Director

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ANNUAL REPORT 1996-97**DIRECTOR'S REPORT****THE MEMBERS,**

Your Directors take pleasure in presenting their 10th Annual Report alongwith the Audited Annual Accounts for the year ended on 31st March, 1997, and report that :-

PERFORMANCE :

A summary of your Company's financial performance is given below:

(Figures in Lacs)

PARTICULARS	1996-97	1995-96
Sales & Other Income	4261.98	4192.51
Profit Before Tax	121.55	112.26
Profit After Tax	117.55	100.26
Add : Balance brought forward from the previous year	112.27	54.51
Balance available for Appropriation	229.82	154.77
Less : Transferred to General Reserve	3.00	—
Proposed Dividend	42.50	42.50
Balance Carried to Balance Sheet	184.32	112.27

OPERATIONS :

During the year under review, your Company has achieved turnover of Rs.4261.98 Lacs as compared to previous year Rs. 4192.51 Lacs. Net profit after tax stood at Rs. 117.55 Lacs as compared to previous year of Rs. 100.26 Lacs.

NEW PROJECT:

Your Company is in the process of identifying suitable business opportunities of setting up a New Unit for processing of Synthetics Yarr. in near future.

DIVIDEND:

Your Directors are pleased to recommend a tax free dividend of 10% subject to approval by shareholders of the Company. This will result in a payout of Rs.42.50 Lacs.



SHARAD FIBRES & YARN PROCESSORS LIMITED

PROJECTIONS VS. PERFORMANCE:

In terms of clause 43 of the listing agreement, Companies who have issued shares and given their projections in their prospectus are required to furnish comparison of projections given in the prospectus with the actual Performance in respect of profitability as well as utilisation of funds. Your Company has allotted Equity Shares in terms of prospectus dated 15th April, 1994. The comparison of projections given in the prospectus with actual performance as to the profitability as well as utilisation of funds are set out below :

(Rs. in Lacs)

PARTICULARS	Projected	Actual
Sales	5413.14	4261.98
Profit before tax	300.75	121.55
Profit after tax	208.03	117.55
Earning Per Share (Rs.)	4.89	2.77
Book Value Per Share	22.84	13.95

The Company could not achieve the projected performance due to reduction in average sales realisation for the Company's products as compared to the projections made in the prospectus.

UTILISATION OF FUNDS :

The Company has utilised the funds for the purposes as mentioned in the prospectus.

AUDITORS :

M/s. Vinod S. Mehta & Company, Chartered Accountants, Auditors of the Company retires at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. The Company has received a Certificate from the Auditors that they are eligible under section 224(1) of the Companies Act, 1956, if reappointed, to act as the Auditors of the Company. Members are requested to consider their reappointments, at a remuneration to be decided by the Board of Directors, for the Financial Year ending 31st March, 1998, as set out in the notice convening the meeting.

BOARD OF DIRECTORS :

Mr. Anand Arya Director of the company retires by rotation and being eligible, offers himself for reappointment.

ANNUAL REPORT 1996-97**AUDITORS REPORT :**

Observations made in the Auditor's Report are self-explanatory and therefore do not call for any further comments under section 217 (3) of the Companies Act, 1956.

FIXED DEPOSITS:

Your Company has not accepted any fixed deposits within the meaning of section 58A of the Companies Act, 1956 from public and the rules made thereunder during the year.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO :

A statement giving details of conservation of energy, technology absorption, foreign exchange earning and outgo, in accordance with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 is annexed and marked annexure 'A' which forms part of this report.

PARTICULARS OF EMPLOYEES :

The information required u/s. 217 (2A) of the Companies Act, 1956 with the Companies (Particulars of Employees) Rules, 1975 are not applicable to the Company, as the company has not employed any employees whose salary exceeds by Rs. 3,00,000/- per Annum or by Rs. 25,000/- per month.

ACKNOWLEDGMENTS :

Your Directors wish to place on record their appreciation and acknowledgment with gratitude the support and co-operation extended by the Company's Bankers, investors, shareholders, staff and the press and look forward to their continued support.

Regd. Office:
Rang Mahal, 3rd Floor,
212/216, Samuel Street,
Vadgadi, Mumbai : 400 003.

Dated : 30th July, 1997.

For and on behalf of the Board
For SHARAD FIBRES & YARN
PROCESSORS LTD.

Ravi Dalmia
Managing Director



SHARAD FIBRES & YARN PROCESSORS LIMITED

ANNEXURE 'A' TO DIRECTORS' REPORT 1996-97

ANNEXURE to Director' Report for the year ended 31st March, 1997 , Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo.

Information in accordance with the section 217 (1) (e) of the Companies Act, 1956. The Companies (disclosure of particulars in the report of Board of Directors) Rules, 1988.

(A) CONSERVATION OF ENERGY :

a) Measures taken : During the year all possible measure were taken to ensure optimum conservation of electricity and fuel at the plant of the Company.

b) Improvements: Plans for improvements are being implemented.

c) Impact of a) & b) : Our energy cost per unit of consumption in respect of Air-conditioning is comparatively lower than other Industries operating in Silvassa.

d) Total energy consumption per unit of production.

FORM - A

I) Power and fuel consumption in respect of :

	Year Ended 31.03.1997	Year Ended 31.03.1996
a) ELECTRICITY		
Purchase Units (in Lacs)	46.63	36.45
Total amount (Rs.lacs)	90.34	60.27
Rate per Unit (Rs.)	1.94	1.65
b) Own Generation		
Through D.G.Set :		
Unit Generated (in Lacs)	1.13	.37
Total Diesel Consumption (Ltrs)	36,057	11,750
Total Cost of Diesel (Rs.in lacs)	3.00	.71
Rate per Unit (Rs.)	2.65	1.91
II) Consumption per unit of production		
Texturised/Twisted Yarn in kgs.	27,65,872	15,55,905
Electricity Units per Kgs.	1.73	2.36

ANNUAL REPORT 1996-97**FORM -B****1. RESEARCH AND DEVELOPMENT :**

No substantial activities are carried out on Research and Development as the Production process itself is fully Automatic. However the Company is continuously making an improvement in the quality of texturised yarn.

No substantial expenditure was incurred on Research and Development.

II. TECHNOLOGY ABSORPTION, ADOPTION & INNOVATION :

- a) Efforts in brief made towards technology absorption,
Adoption and innovation. - NIL
- b) Benefit derived as a result of above efforts - N.A
- c) Particulars of Technology imported during the last 5 years - N.A

III. FOREIGN EXCHANGE EARNINGS & OUT GO :

NIL

Regd. Office:
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212/216, Samuel Street,
Vadgadi, Mumbai : 400 003.

For and on behalf of the Board
For SHARAD FIBRES & YARN
PROCESSORS LTD.

Ravi Dalmia
Managing Director

Dated : 30th July, 1997.