

# **SHARAD FIBRES & YARN PROCESSORS LIMITED**



**12TH  
ANNUAL REPORT  
1998-99**



## SHARAD FIBRES & YARN PROCESSORS LIMITED

### BOARD OF DIRECTORS

<b>Ravi Dalmia</b>	:	Chairman Cum Managing Director
<b>Anand Arya</b>	:	Director
<b>Aditya Dalmia</b>	:	Director
<b>Shashi Dalmia</b>	:	Director
<b>Vinay Singh</b>	:	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

#### Unit I & II

110/111 Govt. Indst. Estate,  
Masat, Silvassa -396230.  
Dadra & Nagar Havelli (U.T.).

#### Unit III.

Survay No. 218/1/1, Dadra Village,  
Dadra & Nagar Havelli - 396230.  
Silvassa (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  
Corporate Finance Branch.  
Mumbai-400 023.

### SHARE TRANSFER AGENT

#### BIGSHARE SERVICES PVT. LTD.

J/12, Ansa Industrial Estate,  
Saki Vihar Road, Saki Naka  
Andheri (E), Mumbai - 400 072.

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**ANNUAL REPORT 1998-99****NOTICE**

NOTICE is hereby given that the 12th Annual General Meeting of the Members of M/s. Sharad Fibres & Yarn Processors Limited will be held on Thursday the 30<sup>th</sup> September, 1999 at 10.00 A.M. at the Corporate Office of the Company at 202, Venkatesh Chambers, Prescott Road, Fort, Mumbai - 400 001 to transact with or without modifications the following business :

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the audited profit & Loss Account of the Company for the year ended 31<sup>st</sup> March, 1999 and the audited Balance Sheet as on that date, together with the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Anand Arya, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS:****4. AS AN ORDINARY RESOLUTION :**

"RESOLVED THAT Consent of the Company pursuant to section 293 (1) (a) and other applicable provisions, if any of the Companies act, 1956, be and is hereby given to the Board of Directors of the Company to sale or otherwise dispose off the Factory premises of the Company's Unit I & II situated at 110/111, Govt. Industrial Estate, Masat, Silvassa, Dadra & Nagar Haveli- 396320., alongwith the furniture & Fixtures etc. for such consideration and on such terms and conditions as the board of directors of the Company may at its discretion deem fit and in the interest of the Company. .

RESOLVED FURTHER THAT the Board of directors of the Company be and are hereby authorised to negotiate and take such steps and complete other formalities as may be necessary in this regard."

**5. AS AN ORDINARY RESOLUTION :**

"RESOLVED THAT Mr. Vinay Singh, who was appointed as an Additional Director of the Company by the Board of Directors on 15<sup>th</sup> April, 1999 and who holds office until the conclusion of this Annual General Meeting under section 260 of the Companies Act, 1956, and a notice under section 257 of the Companies Act, 1956 has been received from a member in writing proposing his candidature for the post of Director be and is hereby appointed as a Director of the Company, liable to retire by rotation".

**6. AS SPECIAL RESOLUTION :**

"RESOLVED THAT pursuant to the provisions of section 372A and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals as may be required , the Company hereby approves the making of investments/ giving of Loans or giving guarantees providing securities of a sum not exceeding Rs.100.00 Crores, notwithstanding such investments/loan/guarantees or security together with the Company's existing investments/loans/ guarantees or securities in all other bodies corporate shall be in excess of any or all the percentages prescribed by the Central Government under sub section (1) of section 372 A of the Act and the provisions thereto."



## SHARAD FIBRES & YARN PROCESSORS LIMITED

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby Authorised to take all steps as may necessary, expedient or desirable to give effect to this resolution and to agree to any modifications or conditions that may be suggested or prescribed by the Financial Institutions at the time of granting the approval.

Registered Office :  
Rang Mahal, 3<sup>rd</sup> Floor,  
212/216, Samuel Street, Vadgadi,  
Mumbai - 400 003.

For and on behalf of the Board  
For Sharad Fibres & Yarn Processors Ltd.

Dated : 30/07/1999

Aditya Dalmia  
Director

### 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 time of the Annual General Meeting.

2. The relevant Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the item No. 4 to 6 is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 22.9.1999 to 30.9.1999 (both days inclusive).
4. Members are requested to intimate any changes in their address to the Company's Share Transfer Agents :

BIGSHARE SERVICES PVT. LTD  
J/12, ANSA INDUSTRIAL ESTATE,  
SAKI VIHAR ROAD, SAKI NAKA,  
ANDHERI (E), MUMBAI - 400 072  
Tel No. 8523541/8524914.

6. All documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days except public holidays between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
7. As a measure of the economy, Copies of the Annual Report will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copy of the Annual Report to the Meeting.
8. Members are hereby informed that Dividends, which remain unclaimed/unencashed over a period of 7 years have to be transferred by the Company to Investor Education & Protection Fund which shall be constituted by the Central Government under section 205A & 205C of the Companies Act, 1956.

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**ANNEXTURE TO THE NOTICE  
EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.**

**ITEM NO. 4 :**

The Board of Directors of the Company are of the view that the Unit III of the company presently situated at Survey No.218/1/1, Dadra Village, Near Dadra Check Post, Silvassa, Dadra & Nagar Haveli, U.T. is very spacious and can accommodate Plant & Machinery and other equipments installed at at Unit I & II of the Company situated at 110/111, Govt. Industrial Estate, Masat, Silvassa. The Board therefore is thinking to shift the said plant & Machineries along with all the necessary accessories at the present site situated at Unit III of the Company at Survey No. 218/1/1, Dadra Village, Dadra & Nagar Haveli, Silvassa.

According to the Board this will save Fixed Overhead cost substantially and to the some extent variable cost also. More so by selling the said factory premise the liquidity position of the Company will also improve and with the additional funds the performance of the Company will certainly improve.

As per the Provisions of the Company's Act, 1956, the said act of the board will require shareholder's approval, therefore the said resolution is placed for your approval.

None of the Directors of the Company are concerned or interested in said resolution.

**ITEM NO. 5 :**

Mr. Vinay Singh was appointed as an Additional Director of the Company with effect from 15th April, 1999. Under the provisions of section 260 of the Companies Act, 1956 and the Article 51 of the Articles of Association of the Company. Mr. Vinay Singh holds the office of Directorship upto the conclusion of the ensuing Annual General Meeting. The Company has received a notice together with the deposit of Rs.500/- under section 257 of the Companies Act, 1956 from a member signifying his intention to propose the candidature of Mr. Vinay Singh as Director of the Company. Mr. Vinay Singh is having wide experience in textile field.

Hence the Board of Directors recommend the resolution as set out in the notice for your approval.

None of the Directors of the Company, except Mr. Vinay Singh is directly or indirectly concerned or interested in the Resolution.

**ITEM NO. 6 :**

At the Annual General Meeting of the Company held on 30<sup>th</sup> September, 1996, the members have authorised the Board of Directors of the Company to make loans/deposits to other bodies Corporate whether under the same management or not upto a limit of Rs.10 Crores.

As per New section 372 A of the Companies act, 1956, the Company is allowed to make investments/ give loans/ give guarantees or provide securities to other bodies corporate within a limit of 60% of its paid up share capital and free reserves or 100 % of its free reserves whichever is more. The Company has to give corporate guarantees from time to time to its sister concerns against various credit facilities sanctioned to them by their bankers and in such cases the amount may exceed the limit already authorised by the members earlier which was Rs.10 Crores..

The Board of Directors therefore recommend the passing of this resolution as set out in No. 6 of the Notice.

Except Mr. Ravi Dalmia, Mr. Shashi Dalmia and Mr. Aditya Dalmia who are Directors in sister concerns, none of the directors of the Company are interested in this resolution.

Registered Office :  
Rang Mahal, 3<sup>rd</sup> Floor,  
212/216, Samuel Street,  
Mumbai : 400 003

For and on behalf of the Board  
For **Sharad Fibres & Yarn Processors Ltd.**

**Aditya Dalmia**  
Director

Dated : 30/07/1999

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## SHARAD FIBRES & YARN PROCESSORS LIMITED

### DIRECTOR'S REPORT

#### THE MEMBERS,

Your directors presents their 12th Annual Report alongwith the Audited Annual Accounts for the year ended on 31<sup>st</sup> March, 1999 and report that :-

#### PERFORMANCE :

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

PARTICULARS	(Figures in Lakhs)	
	1998-99	1997-98
Sale & Other Income	3872.41	4669.91
Profit / (loss) Before Depreciation & Tax	(61.02)	165.70
Profit /(loss)After Tax	(122.49)	121.21

#### OPERATIONS :

The sluggish market conditions continued during the year resulting in adverse impact on the company's performance. The Company could achieve a Total Income of Rs. 3872.41 Lacs as compared to Rs.4669.91 Lacs in the previous year. Due to low realisation and increased Overhead the Company could not register Profit during the year under review.

#### EXPANSION PROGRAMME :

The Company has successfully commissioned 3 Texturising Machines on account of its ongoing expansion programme. The balance 3 machines will be installed shortly.

#### SHIFTING OF UNIT I & II :

In order to cut down the overhead expenses the Company has decided to shift the Unit I & II situated at Masat, Silvassa to Unit III of the Company situated at Dadra Village, Dadra, Silvassa, where the company is having ample space to accommodate all the machineries installed at Unit I & II of the Company.

#### DIVIDEND :

Your Directors regret to express their inability to recommend any dividend due to insufficient funds for the year under review.

#### STATUS OF Y2K COMPLIANCE :

Your Company is fully aware of the need to ensure Y2K compliant. All the Hardware, Software and Network systems of the Company are Y2K Compliant and hence the Y2K bug is not going to effect the Company in any way.

#### BOARD OF DIRECTORS :

As per the Provisions of the Companies Act, 1956 and in terms of the Articles of Association of the company Mr. Anand Arya, Director of the Company retires by rotation and being eligible, offers himself for re-appointment. During the year the Board has appointed Mr.Vinay Singh as an additional Director of the Company.

**ANNUAL REPORT 1998-99****AUDITORS :**

M/s. Vinod S. Mehta & Co., Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Members are requested to consider their appointment and authorise Board of Directors to fix their remuneration for the year 1999-2000.

**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 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. 6,00,000/- per Annum or by Rs. 50,000/- per month.

**PARTICULARS REQUIRED UNDER THE LISTING AGREEMENT :****LISTING :**

The Equity Shares of the Company are at present listed with the following Stock Exchanges :

1. The Ahmedabad Stock Exchange Limited  
Kamdhenu Complex, Opp: Sahajanand College,  
Ahmedabad - 380 015
2. Jaipur Stock Exchange Limited  
Rajasthan Chamber Bhavan,  
M.I. Road, Jaipur - 302 001.
3. Madras Stock Exchange Limited  
Exchange Building. 11, Second Line Beach,  
Chennai - 600 001.
4. The Stock Exchange Mumbai  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001.

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

The information pursuant to section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are given as per Annexure attached.

**ACKNOWLEDGEMENTS:**

Your Directors wish to place on record their appreciation and gratitude to the support and assistance extended by the Company's Bankers, Shareholders and Customers.

Your directors place on record their deep sense of appreciation for the devoted services of the executives and staff at all levels of the Company.

Registered Office :  
Rang Mahal, 3<sup>rd</sup> Floor,  
212/216, Samuel Street, Vadgadi,  
Mumbai : 400 003  
Dated : 30/07/1999

For and on behalf of the Board  
For Sharad Fibres & Yarn Processors Ltd.

**Aditya Dalmia**  
Director.





# SHARAD FIBRES & YARN PROCESSORS LIMITED

## ANNEXURE "A" TO DIRECTORS' REPORT 1998-99.

ANNEXURE to Director's Report for the year ended 31<sup>st</sup> March, 1999 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 further 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 31.3.1999	Year Ended 31.3.1998
a) ELECTRICITY		
Purchase Units (in Lacs)	41.55	40.94
Total amount (Rs.Lacs)	96.40	92.24
Rate per Unit (Rs.)	2.32	2.25
b) Own Generation		
Through D.G.Set :		
Unit Generated (in Lacs)	11.91	8.50
Total Diesel Consumption (Ltrs)	3,80,950	2,71,148
Total Cost of Diesel (Rs.in lacs )	37.15	22.90
Rate per Unit (Rs.)	3.12	2.69
II) Consumption per unit of production		
Texturised/Twisted Yarn in kgs.	43,03,507	31,82,809
Electricity Units per kgs.	1.24	1.55

### 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.