

**A N N U A L
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AI CHAMPDANY INDUSTRIES LIMITED

AI CHAMPDANY INDUSTRIES LIMITED

CIN: L51909WB1917PLC002767

CHAIRMAN EMERITUS

Mr. G. J. Wadhwa (w.e.f. 30 May 2014)

BOARD OF DIRECTORS

Mr. D. J. Wadhwa, Chairman (w.e.f. 12 August 2014)

Mr. Harbhajan Singh

Mr. S. M. Palia

Dr. G. Goswami

Mr. N. Das

Dr. B. Sen

Mr. B. Wadhwa

Ms. Ramya Hariharan (Additional Director)

(w.e.f. 12 August 2014)

Mr. N. Pujara (Managing Director w.e.f. 12 May 2014)

VICE PRESIDENT (F&A) & CHIEF FINANCIAL OFFICER

Mr. Prakash Nagar

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Swaroop Saha (till 30 May 2015)

Mr. Sandeep Mandhana (w.e.f. 01 June 2015)

AUDITORS

D. P. Sen & Co.

Chartered Accountants

FRN 301054 E

BANKERS

Bank of Baroda

Allahabad Bank

Export-Import Bank of India

Kotak Mahindra Bank Ltd.

Bank of Maharashtra

IDBI Bank Ltd.

REGISTERED OFFICE

25, Princep Street, Kolkata-700 072

SHARE DEPARTMENT

25, Princep Street, Kolkata-700 072

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WORKS

Wellington Jute Mill 9, G T Road Rishra Hooghly West Bengal Pin: 712 248	Anglo India Jute Mill 1, West Ghosh Para Road, Jagatdal 24 Parganas (N) West Bengal Pin: 743 125	Fine Yarn Unit 1, West Ghosh Para Road, Jagatdal 24 Parganas (N) West Bengal Pin: 743 125	Flax Unit 1, West Ghosh Para Road, Jagatdal 24 Parganas (N) West Bengal Pin: 743 125	Weaving Unit 9, G T Road Rishra Hooghly West Bengal Pin: 712 248	Yarn Unit 9, G T Road Rishra Hooghly West Bengal Pin: 712 248
Libra Carpet Choudwar	Weaving Unit 39, Shalimar Road	Yarn Unit Choudwar	Weaving Unit Naity Road Konnagar Hooghly West Bengal Pin: 712 246	Kankinara Unit Bhutnath Kolay Road Kankinara 24 Parganas (N) West Bengal Pin: 743 126	
Cuttack Odhisra Pin: 754 025	Howrah (South) West Bengal Pin: 711 103	Cuttack Odhisra Pin: 754 025			

AI CHAMPDANY INDUSTRIES LIMITED

DIRECTORS' REPORT

TO THE SHAREHOLDERS

Your Directors are pleased to present the Annual Report of your Company and the Company's Audited Financial Statements for the financial year ended 31 March 2015.

FINANCIAL RESULTS

(Rs. in lacs)

	Year ended 31st March, 2015	Year ended 31st March, 2014
Profit before Finance Cost, Depreciation and Tax	1147.32	1713.12
Finance Cost	1234.66	946.06
Depreciation and Amortisation	561.34	679.56
Profit / (Loss) Before Tax	(648.68)	87.50
Provision for Tax:		
- Current Tax / MAT	2.40	19.44
- MAT Credit entitlement	-	(17.04)
- Tax for prior years	(7.32)	-
- Deferred Tax (Asset)	(230.47)	(33.15)
Profit / (Loss) After Tax	(413.29)	118.25
Profit Brought Forward from Previous Years	6.20	2.95
Amount available for Appropriation	(407.09)	121.20
Transfer to Capital Redemption Reserve	-	115.00
Surplus / (Loss) Carried over	(407.09)	6.20

DIVIDEND

In view of loss, your Directors do not recommend any dividend on 2% Preference Shares and on Equity Shares.

OPERATIONS

Sales / Income from operation was Rs.301.78 crores compared to Rs.335.20 crores in the previous year and it was lower mainly due to lower off take of 'B Twill' Jute bags by the Central Government Procurement Agencies thereby adversely affecting the entire industry. However, export sales were marginally better at Rs.60.80 crores compared to Rs.57.94 crores in the previous year. Overall operating performance was affected for the reasons mentioned in the Management Discussion and Analysis Report annexed hereto.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There have been no change in the nature of business of the Company.

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

The Company declared the suspension of work at Weaving Unit, Rishra and Anglo-India Jute Mill (Middle Mill), Jagatdal with effect from 23rd May, 2015 and 26th May, 2015 respectively.

RISK MANAGEMENT FRAMEWORK

As required pursuant to Section 134(3) and clause 49 of the SEBI Listing Agreement, your company has a Risk Management Framework approved by the Board of Directors. The Risk Management Framework provides the mechanism for risk assessment and its mitigation. The Risk Management Framework is being periodically reviewed by the Audit Committee and the Board of Directors.

DISCLOSURE ON SEXUAL HARRASSMENT OF WOMEN IN WORKPLACE

The Company has received no complaints from any women employee during the year regarding Sexual Harassment of Women in Workplace (Prevention, Prohibition & Redressal) Act, 2013.

PARTICULARS OF EMPLOYEES

There was no employee in receipt of remuneration exceeding the limit under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

CHANGES IN KEY MANAGERIAL PERSONNEL

On resignation of Mr. Surajit Sen with effect from 24 May 2014, Mr. Swaroop Saha was appointed as the Company Secretary and Compliance Officer with effect from 26 May 2014.

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

Under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 particulars regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are set out in a separate statement attached to this report and forms part of it.

DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Shri Bhushan Wadhwa, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

Shri G J Wadhwa stepped down from the Chairmanship and Directorship of the Company with effect from 30 May 2014 on attaining the age of 89 years and the Board, while accepting his resignation, wished him good health and placed on record its deep appreciation for his visionary leadership and valuable guidance made available to the Company during his long association of more than 4 decades. In recognition of such dedicated service to the Company and considering his stature in the Jute Industry, the Board of Directors were pleased to confer upon Shri Wadhwa "Chairman Emeritus" status of the Company from the date of his stepping down as Chairman of the Company.

With effect from 12 May 2014, the Board was pleased to elevate Mr. N Pujara as Managing Director from Executive Director and the same was approved by the shareholders at the last Annual General Meeting of the Company held on 12 August, 2014.

Ms. Ramiya Hariharan was appointed as an Additional Director of the Company with effect from 12 August 2014 and she shall hold office upto the date of the ensuing Annual General Meeting of the Company and being eligible, offers herself for reappointment as Independent Director.

On 31 March 2015 shareholders by way of a postal ballot approved the appointment of Shri Harbhajan Singh, Shri Narottam Das and Dr. Basudeb Sen upto the conclusion of the 99th Annual General Meeting of the Company in the calendar year 2017 as Independent Directors who are not eligible to retire by rotation.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013 and clause 49 of the Listing Agreement with Stock Exchanges.

BOARD EVALUTION

Pursuant to the provision of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual evaluation of its own performance. The Directors expressed their satisfaction with the evaluation process.

DISCLOSURES ON MANAGERIAL REMUNERATION

Details of Managerial Remuneration as required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given as Annexure I of this Report.

STATUTORY AUDITORS

At the 96th Annual General Meeting held on 12 August 2014, the members had appointed M/s D.P.Sen & Co., Chartered Accountants, having registration number 301054E, as the Statutory Auditors of the Company till the conclusion of the ensuing Annual General Meeting.

The Company has received a consent letter from M/s D.P.Sen & Co., Chartered Accountants, to the effect that their appointment, if made, at the ensuing Annual General Meeting for next year would be in terms of Sections 139 and 141 of the Companies Act, 2013 and the rules made thereunder. The Board proposes to appoint M/s D.P.Sen & Co., Chartered Accountants, as the Statutory Auditors of the Company from conclusion of 97th Annual General Meeting till conclusion of 98th Annual General Meeting, subject to the approval of the shareholders.

COST AUDITORS

M/s N Radhakrishnan & Co., Cost Accountants, were appointed as Cost Auditor for auditing the Cost Accounts of the Company for the year ended 31 March 2015 by the Board of Directors. The remuneration proposed to be paid for the FY 2015-16 to the Cost Auditor requires ratification of the shareholders of the Company. In view of this, your ratification for payment of remuneration to the Cost Auditor is being sought at the ensuing Annual General Meeting.

M/s N Radhakrishnan & Co., Cost Accountants, have given their consent to act as Cost Auditor of the Company for the Financial Year 2015-16 confirming that their appointment is within the limits of Section 139 and certified that they are free from any disqualifications specified under Section 148(5) and all other applicable provisions of the Companies Act, 2013.

The Cost Audit Report for the year 2013-14 has been filed with the Ministry of Corporate Affairs within the due date of filing.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of knowledge and belief and according to the information and explanation received from the day to day operating management, your Directors make the following statements pursuant to Sub-Section (5) of Section 134 of the Companies Act, 2013:

- a) that in the preparation of the annual accounts for the financial year ended 31 March 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that 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 loss of the Company for that period;
- c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the Directors have prepared the annual accounts for the financial year ended 31 March 2015, on a going concern basis;
- e) that the Directors, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- f) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

EXTRACT OF ANNUAL RETURN

As required pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT-9 is annexed as **Annexure II**.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report submitted by M/s K. Arun & Co., Company Secretaries, is enclosed as part of this report as **Annexure III**.

EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY THE STATUTORY AUDITOR IN THEIR REPORT AND BY THE COMPANY SECRETARY IN PRACTICE IN THEIR SECRETARIAL AUDIT REPORT

Qualified opinion by the Statutory Auditors in their Report have been adequately dealt with in the Notes to the Accounts, which is explained hereunder.

The Company is providing Gratuity Liability on accrual basis for all its units and only in respect of one unit i.e. Anglo-India Jute Mill (Middle Mill), Jagatdal it was accounted for on cash basis for the intervening period of 1996-97 to 2006-07 as explained in Note No.44 to the Full Accounts and Note No.11 to the Abridged Accounts.

The Secretarial Auditor have not given any qualification, reservation or adverse remark or disclaimer in their Audit Report.

MEETINGS OF THE BOARD

5 Meetings of the Board of Directors were held during the year. For further details please refer to Report on Corporate Governance annexed in this Annual Report.

CONSOLIDATED FINANCIAL STATEMENT

In accordance with the Companies Act, 2013 and the Accounting Standard (AS21), the Consolidated Financial Statement is provided in the Annual Report.

STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARY

Landale & Clark Ltd. and AIC Properties Ltd. ceased to be subsidiary of the company with effect from 19 May 2014 on disinvestment of part shareholding.

Pursuant to Sub-Section (3) of Section 129 of the Act, the statement containing the salient feature of the financial statement of a company's subsidiary i.e. Champdany Construction Ltd. is presented in a separate section in Form AOC 1 as Annexure IV.

LISTING WITH THE STOCK EXCHANGES

The Company's Equity shares are listed on the Bombay Stock Exchange and National Stock Exchange and annual listing fees for financial year 2015-16 has been paid to the BSE and NSE.

The shares of the Company were delisted from the Calcutta Stock Exchange with effect from 20 April 2015 so as to reduce the compliance cost including listing fees as no services were being made available by the Calcutta Stock Exchange to the shareholders of the Company and no trading in the shares also took place at the Calcutta Stock Exchange during the last 20 years.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

No Significant & Material Orders relating to settlement of tax liabilities, operation of patent rights, depression in market value of investments, institution of cases by or against the company, sale or purchase of capital assets or destruction of any assets etc. were passed by the Regulators for or against the Company during the financial year ended 31 March 2015.

INTERNAL FINANCIAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has in place Internal Financial Control Systems, commensurate with the size and complexity of its operations to ensure proper recording of financial and operational and compliance of various internal controls and other regulatory and statutory compliances. The Internal Auditor monitors and evaluates the efficacy and adequacy of Internal Financial Control Systems in the Company. Based on the report of Internal Auditor, respective departments undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

During the year, the Company has not given any loans, provided any guarantees or made any investments as covered under Section 186 of the Companies Act, 2013.

PARTICULARS OF CONTRACTS, ARRANGEMENTS ENTERED INTO WITH RELATED PARTIES

All transactions entered into with related parties as defined under of the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company and hence, enclosing of Form AOC-2 is not required. Suitable disclosure as required by the Accounting Standard (AS 18) has been made in the notes to the Financial Statements.

PREVENTION OF INSIDER'S TRADING

In terms of provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992 and its subsequent amendments in 2008 and 2015, the Company has adopted a model Code of Conduct for prevention of Insider Trading in the shares and securities of the Company. The Code, inter alia, prohibits purchase, sale of the shares of the Company by the Directors, Officers and Designated Employees while in possession of the unpublished price sensitive information in relation to the Company. The Company Secretary is the Compliance Officer for the purpose of these Regulations.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is presented in a separate section forming part of this Annual Report.

CORPORATE GOVERNANCE

The Company has implemented the procedures and adopted practices in conformity with the Code of Corporate Governance as prescribed by SEBI. The Corporate Governance Report and a Certificate from the Auditors of the Company certifying compliance with the conditions of Corporate Governance are attached hereto and form part of the Directors' Report.

ENVIRONMENT AND SAFETY

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires the conduct of all operations in such manner so as to ensure safety of all concerned, compliance of statutory and industrial requirements for environment protection and conservation of natural resources to the extent possible.

INDUSTRIAL RELATIONS

Industrial Relations in all units and branches of the Company remained generally cordial and peaceful throughout the year, except Units under suspension of work, etc. as mentioned in Management Discussion & Analysis Report annexed herewith.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to place on record their appreciation of the continuous support, encouragement and co-operation received from the Company's bankers, the Government of West Bengal, customers, employees, shareholders and other business associates.

On Behalf of the Board

G. Goswami
N. Pujara
Directors

Place: Kolkata

Dated: 30 May 2015

AI CHAMPDANY INDUSTRIES LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. INDUSTRY STRUCTURE AND DEVELOPMENT:

During the year under review, operating environment was difficult for the Jute Industry due to lower off take of B Twill Jute Bags by the Government Procurement Agencies, forcing the Industry to curtail production by reducing number of days and / or number of shifts. Though the Government orders increased in last quarter of the financial year, overall the total buying was less. Again the Government buying is less from May 2015 leading to closure of 18 Mills in the State.

Besides, the Raw Jute Crop was also short and the carryover from earlier season less. The situation in Bangladesh was similar and supplies could not be supplemented from Bangladesh. Consequently, the Raw Jute prices ruled high in spite of reduced production and / or closure of Mills.

B. OPPORTUNITIES/THREATS, RISKS & CONCERNS:

■ OPPORTUNITIES

Jute being biodegradable & environmental friendly fibre, opportunities lies mainly in making more and more Value added diversified products as a substitute of other man-made fibre products and also rationalizing manpower. Recently Government of West Bengal after long persuasion by the Industry has announced to make it mandatory for Rice Millers in the State to compulsorily pack 70% of their produce in Jute Bags which indeed is a helpful constructive move by the State Government but its benefit to the Jute Industry in terms of alternate source of demand will only accrue if the decision is effectively implemented by the State Government from next jute season. A committee has been set up under the chairmanship of Jute Commissioner to work out the modalities.

Your Company having Value added diversified product range including high value linen Unit also in its fold, is taking further steps to increase production of such items for which actions have already started having put up some new generation equipments in the Flax and Fine Yarn Units and more such up gradation / expansion is being planned.

■ THREATS / RISKS AND CONCERNS

Jute Industry is currently facing erratic and low demand from Government Procurement Agencies. Productivity in the Industry is also low and while wage cost continues to increase being linked to DA whereas efficiency continues deteriorating resulting in double whammy for the Industry. Shortage of trained workers is also a major issue before the Industry. Continuation of Jute Packaging (compulsory use for packaging commodities) Act 1987 which is extended every year by the Central Government is very important for survival of the Industry. With almost negligible carry over stock of raw jute, bumper next jute crop is extremely important.

C. OUTLOOK:

Sowing and the weather conditions so far has been good for the coming new crop which is expected to arrive in the market by July/August. Demand scenario as of now is weak because the Government buying of B Twill Jute bags has again reduced but as per Food Ministry's projections, there will be substantial requirements for jute bags from July onwards which coinciding with arrival of new Raw Jute Crop in July/August should improve operating cycle for jute Industry barring unforeseen circumstances. Your Company has also initiated the process of monetizing its idle assets having divested some such assets and is also evaluating further possibilities in this direction. Sale of Anglo India Jute (Middle Mill) which was approved by the shareholders in previous financial year could not be completed because of the difficult operating conditions in the Jute Industry, however discussions are continuing with the buyer so as to conclude the transaction as early as possible.

D. INTERNAL CONTROL SYSTEM & ADEQUACY:

The Company has a proper internal control system in place across all its operations. Internal audit work has been assigned to a professional firm of Chartered Accountants who have expressed satisfaction about the adequacy of internal control systems and procedures followed by the Company. The Audit Committee reviews the observations of the internal auditors and implementation aspects on a regular basis.

E. FINANCIAL & OPERATING PERFORMANCE:

During the year under review, Income from operations was Rs. 301.78 Crores compared to Rs. 335.20 Crores in the previous year and it was lower mainly due to low offtake of B Twill Jute Bags by the Central Government Procurement Agencies adversely affecting the entire industry. However Export Sales was marginally better at Rs. 60.80 Crores compared to Rs. 57.94 Crores in the previous year. Overall operating performance was adversely affected for the reasons explained hereinabove.

F. MATERIAL DEVELOPMENT IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT:

The Company continues to rationalize its workforce and put emphasis on providing quality training under the Company's programme.

Yarn Unit and Libra Carpet Unit located at Choudwar, District Cuttack, Odisha Yarn and Weaving Unit at Konnagar continued to be under suspension of work. Due to very low productivity & sluggish demand both domestically & internationally, temporary suspension of work had to be declared at Weaving Unit Rishra w.e.f 23 May 2015 and at Anglo India Jute – Middle Mill w.e.f 26 May 2015.

G. CAUTIONARY STATEMENTS:

Certain statements in this report may be construed as forward looking statements which have been made as required by laws and regulations, as applicable. There are several factors, which would be beyond the control of management and as such, may affect the actual results, which could be different from that envisaged.

ANNEXURE TO THE DIRECTORS' REPORT

Information as per Section 134(3)(m) read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended 31 March 2015.

A. CONSERVATION OF ENERGY

The Company continues its efforts to conserve energy and has taken the following steps on ongoing basis:

- a) Replacement of HSPV lamp fittings with metal Halide Lamp Fittings and good quality copper ballast.
- b) Have planned for installation of all the spinning frames motors to outside of the machine to reduce the following:
 - i) Power Consumption
 - ii) Ball Bearing & Grease consumption
 - iii) Motor break down rate and Motor burning
 - iv) Breakdown and Fire Hazard.
- c) Power factor already improved from 97% to 98% in the CESC Power Bill to get more rebate.

Continuous Monitoring of system voltage and power factor to minimize losses, follow rigid routine preventive / predictive maintenance schedule of machine, use of energy efficient motors, light fittings and luminaries, elimination of idle / under loading of machines.

Constant efforts are being made to identify new technologies to improve the working of the plants for reduction in consumption of energy and cost of production.

“FORM A”

		Current year	Previous year
a)	POWER AND FUEL CONSUMPTION		
i)	ELECTRICITY		
a)	Purchased Units (KWH)	21839046	27291050
	Total Amount (Rs. in lacs)	1816.12	2026.47
	Rate / Unit (Rs.)	8.32	7.43
b)	Own Generation through Diesel Generator (Units)	10203	67137
	Units per litre of Oil	3.10	2.79
	Cost / Unit (Rs.)	23.76	23.84

	<u>Current year</u>	<u>Previous year</u>
II) COAL		
(B grade used for generation of steam in boiler)		
Quantity (M. Ton.)	5.92	30.73
Total Cost (Rs. in lacs)	0.55	2.29
Average Rate (Rs.)	9319	7450
B) CONSUMPTION PER UNIT OF PRODUCTION		
<u>Electricity (KWH/MT)</u>		
Jute/Jute diversified Products and Services	700	592
Flax Products	4707	4861
<u>Coal per ton of Production (M.Ton)</u>		
Jute/Jute diversified Products & Services	-	-
Flax Products	-	-
<u>Production</u>		
Jute & Jute Diversified Products (M. Ton.)	28390	42222
Flax Product (M. Ton.)	422	489

“FORM B”

B. TECHNOLOGY ABSORPTION

RESEARCH AND DEVELOPMENT (R & D)

R&D Projects are being pursued in house & in conjunction with IJIRA/Jute Board for development of value added items having combinations of jute blended with other natural and man made fibre and improvement of end products including linen yarn.

BENEFITS DERIVED AS A RESULTS OF THE ABOVE R&D AND FUTURE PLAN OF ACTION:

Technology absorption, adaptation and innovation –

- a) By taking out Motor from Machine to outside Energy saving is 20 units per day per frame.
- b) Motor will remain cool, comparatively clean, wear & tear of Motor will be decreased and most important fire hazards will be eliminated.
- c) Consumption of Bearing will be reduced considerably for spinning section.
- d) By using armoured cable on Spinning Machine Main line fire hazard and line losses will be minimized.

Benefits are expected to accrue in terms of value addition, cost optimization, better turnaround improvement of quality and serviceability.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION, EFFORTS IN BRIEF MADE TOWARDS TECHNOLOGY ABSORPTION AND INNOVATION:

Continued assistance being sought for technology transfers and up-gradation from developed countries for perpetual improvement of existing products and developments of newer products. The Company had adopted technology of fine yarn and soil saver; further improvements are anticipated in development of HCF Food Grade jute products.

EXPENDITURE ON R&D:

In accordance with the Company's consistent practice, expenditure on R&D activities remains merged with various heads of account.

DETAILS OF IMPORTED TECHNOLOGY:

No technology has been imported during the year.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Activities relating to exports, initiatives taken to increase exports, development of new export markets for products, services and export plans:

The Company has taken several initiatives for development of new products by way of diversification of product folio and cost reduction for export market.