

CENTURY ENKA LIMITED



42nd Annual Report 2007-08



Mr. B.K. Birla - Chairman



B K BIRLA GROUP OF COMPANIES

The Group Logo - As represented by the 21st Century Atlas

Atlas, the Titan - *Collective Strength*

Atlas, bearer of the heavens is synonymous with vast, all encompassing strength and is used to symbolise the Group's own collective strength. It reflects the combined qualities of astute and dynamic management, while emphasising the Group's tenacity, consistency, reliability and overall leadership.

The Sun - *Enlightenment and Growth*

The Sun, as a source of infinite energy and inspiration, is used here in conjunction with the Atlas head to represent the vitality and powerful presence of the Group - both in its industrial prowess and its financial, technological and intellectual skills.

The Earth Segments - *Diversified Activities*

Each of the latitudes around the Titan represent various sections - industrial, agricultural, financial and other activities of the Group. As with the infinite variety of the world, so is the strength of the Group, made up of its diverse activities.

The Globe - *Global Vision*

The Group's global presence and vision is reflected in the entirety of the Earth's sphere.

The Base - *Solid Foundations*

The strength of the entire edifice depends upon the strength of the foundation embedded in the bedrock, represented here by the Group Name.

The Symmetry - *The Resilience, Versatility and Stability*

Seen in its entirety, each of the elements - Atlas, the Sun, the Earth divisions, the Globe and the Base, together sum up a well conceptualised and balanced conglomerate.

Strong Foundation

Sustained Growth

Proven Leadership



Forty Second Annual Report 2007-08 CENTURY ENKA LIMITED

BOARD OF DIRECTORS

Mr. B. K. Birla (Chairman)
Mr. R. A. Shah
Mr. B. S. Mehta
Mr. V. Dixit
Mr. G. M. Singhvi (Whole-time Director)

SECRETARY

Mr. C. B. Gagrani

AUDITORS

Messrs. Price Waterhouse

SOLICITORS

Messrs. Crawford Bayley & Co.

BANKERS

Bank of Maharashtra	HDFC Bank
State Bank of India	ABN AMRO Bank NV
Axis Bank	

REGISTERED OFFICE

Birla Building, 7th Floor
9/1, R. N. Mukherjee Road
Kolkata-700 001
Tel. No. 033-2243 6003
Fax No. 033-2243 6005

HEAD OFFICE

'Bakhtawar', 7th Floor
Nariman Point
Mumbai-400 021
Tel. No. 022-2202 7375
Fax No. 022-2287 3952

FACTORIES

Bhosari, Pune-411 026
Tel. No. 020-66127300/27120423
Fax No. 020-27120113

Rajashree Polyfil
Rajashree Nagar, Post: Umalla-393120, Dist.: Bharuch
Tel. No. 02645-235301-5
Fax No. 02640-308510

Konkan Synthetic Fibres – Processed Yarn Unit
Plot No. C-61, Part-A, MIDC Area,
Mahad-402 309, Dist.: Raigad
Tel. No. 02145-232136
Fax No. 02145-232142

Konkan Synthetic Fibres – POY Unit
Plot No. C-61, Part-B, MIDC Area
Mahad-402 309, Dist.: Raigad
Tel. No. 02145-232138
Fax No. 02145-232360

SHARE TRANSFER AGENT

INTIME SPECTRUM REGISTRY LIMITED

C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai-400 078
Tel. No.: 022-2596 3838; Fax No.: 022-2594 6969

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NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the 42nd Annual General Meeting of the Shareholders of CENTURY ENKA LIMITED will be held at Kala Kunj, 48, Shakespeare Sarani, Kolkata - 700 017 on Saturday, the 28th June, 2008 at 10.30 A.M. to transact the following business:

ORDINARY BUSINESS

1. To consider the Report of the Auditors and Directors and to receive, consider and adopt the Audited Statements of Accounts for the year ended 31st March, 2008.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. B.K. Birla who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. V. Dixit who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without modification the following resolution:

AS SPECIAL RESOLUTION

"RESOLVED THAT subject to the provisions of Section 309 of the Companies Act, 1956 and Article 105 of the Articles of Association of the Company and within the limits stipulated in Section 309(4) of the Companies Act, 1956, the Company be and is hereby authorised to pay remuneration by way of commission to its Directors (including Alternate Directors), resident in India, other than the Directors in the whole-time employment of the Company in respect of each of the five financial years commencing from the 1st April, 2008 subject to an overall ceiling of 1% of the net profits of the Company for that financial year computed in accordance with the provisions of Section 198 of the Companies Act, 1956 or Rs. 20 lacs (Rupees Twenty lacs only) in aggregate, whichever, is lower."

"RESOLVED FURTHER THAT the Board of Directors may, at its discretion, decide the exact amount to be disbursed each financial year by way of commission within the limits prescribed above and its allocation amongst the eligible Directors."

7. To consider and, if thought fit, to pass with or without modification the following resolution:

AS ORDINARY RESOLUTION

"RESOLVED THAT Resolution No. 6 passed in 41st Annual General Meeting of the Company held on 27th June, 2007 approving the appointment and

remuneration of Mr. G. M. Singhvi, the Whole-time Director of the Company be amended as follows:

- (i) The paragraph for over all limits of basic salary and allowances under the head "(A) Salary" be substituted by the following paragraph w.e.f. 01.01.2008:

"With authority to the Board of Directors/Chairman of the Board of Directors to grant such annual increments in basic salary (total basic salary not exceeding Rs. 2,00,000/- per month) and entertainment allowance (total entertainment allowance not exceeding Rs. 1,00,000/- per month) from time to time as it may deem appropriate".

- (ii) The clause No. (vii) under the head "(B) Perquisites/Amenities" be substituted by the following clause w.e.f. 01.04.2008:

"vii. (a) Gratuity as per the Rules/Policies of the Company,

(b) Ex-gratia as per the Rules/Policies of the Company not exceeding 15% of basic salary,

(c) Performance Allowance as may be approved by the Board of Directors/Chairman of the Board of Directors not exceeding 50% of basic salary."

By Order of the Board

C. B. GAGRANI
Secretary

Place: Mumbai

Dated : 16th May, 2008

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. The Register of Members and Share Transfer Register of the Company will remain closed from Saturday, the 14th June, 2008 to Monday, the 23rd June, 2008, both days inclusive on account of Annual General Meeting and dividend payment.
3. The payment of dividend, if declared at the said meeting, will be made to those shareholders whose names shall appear on the Company's Register of Members on 23rd June, 2008 or to their nominees. In respect of shareholding in dematerialised form, dividend will be paid to the beneficial owners as per details to be furnished by the Depositories for the purpose. Dividend Warrants will be despatched or credit will be given



under ECS as the case may be on or after 2nd July, 2008.

4. Members desirous of getting any information about the accounts and operations of the Company are requested to address their query to the Secretary at the Registered Office well in advance so that the same may reach him atleast 10 days before the date of the meeting to enable the Management to keep the required information readily available at the meeting.

5. (i) The unclaimed dividend upto financial years 1994-95 have been transferred to the General Revenue Account of the Central Government in terms of the provisions of Section 205A of the Companies Act, 1956. Those shareholders who have so far not claimed their dividend for the financial years upto 1994-95 may claim their dividend from the Registrar of Companies, West Bengal by submitting an application in the prescribed form.

- (ii) Those members who have not encashed dividend warrants for the financial years 2000-2001 to 2006-07 may return the time barred dividend warrants or write to Company's **Share Transfer Agent, M/s. Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078** for issue of duplicate dividend warrant.

- (iii) Pursuant to the provisions of Section 205A of the Companies Act, 1956, as amended, dividend for the financial year 2000-2001 and thereafter which remain unclaimed for a period of 7 (seven) years will be transferred to the Investor Education and Protection Fund (the Fund) constituted by the Central Government under Section 205C of the Companies Act, 1956. **Unclaimed Equity Dividend for the financial year 2000-2001 will fall due for transfer to the said Fund on 25th July, 2008.**

As regards unclaimed dividend for the financial years 1995-96 to 1999-2000, the same have already been transferred to the said Fund.

It may kindly be noted that once the unclaimed dividend is transferred to the abovesaid Fund of the Central Government, no claim shall lie in respect thereof.

6. Dividend in respect of shares held in dematerialised form shall be credited to the beneficial owner's bank account directly through Electronic Clearing Services (ECS) wherever ECS facility is available subject to availability of bank account details and 9 digits code number. In case the said details have not been provided to the concerned Depository Participant or there is any

change, the same may please be intimated to the concerned Depository Participant immediately.

Shareholders holding shares in physical form and desirous of availing ECS facility, should provide the bank details and 9 digits code number in ECS Mandate Proforma. Shareholders who have already given their Bank details to avail ECS facility should furnish the same only if there is any change.

The ECS Mandate Proforma can be obtained from the Company's Share Transfer Agent, M/s. Intime Spectrum Registry Ltd. at the address mentioned hereinbelow in Note 7 or can be downloaded from the Company's website www.centuryenka.com.

7. In terms of provisions of Section 109A of the Companies Act, 1956, nomination facility is available to individual shareholders. Shareholders who are holding shares in physical form and are desirous of availing this facility may kindly write to the Company's **Share Transfer Agent, M/s. Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai-400 078** for nomination form quoting their folio number. Shareholders holding shares in dematerialised form, should write to their Depository Participant for the purpose.
8. Members who are holding shares in identical order of names in more than one folio, are requested to write to the Company's Share Transfer Agent at the address mentioned hereinabove in Note 7 to consolidate their holding in one folio.
9. Members who are holding shares in physical form are requested to notify change in address, if any, to the Company's Share Transfer Agent at the address mentioned hereinabove in Note 7 quoting their folio number. Shareholders holding shares in dematerialised form, should intimate change of their address, if any, to their Depository Participant.

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

Item No. 6

Attention of the Shareholders is drawn to the Special Resolution passed for payment of commission to Directors by postal ballot and declared carried on 27th October, 2003. Under the said resolution, commission to Directors (including Alternate Director) resident in India, other than the Directors in whole time in employment of the Company be paid for each of the five financial years commencing from 1st April, 2003, subject to overall ceiling of 1% of the net profit of the



Company computed in accordance with the provisions of Section 198 of the Companies Act, 1956 or Rs. 20 lacs (Rupees twenty lacs only) in aggregate whichever is lower. The period of 5 financial years expired on 31st March, 2008.

The Company is having three manufacturing sites located at different places Pune and Mahad in Maharashtra and Rajashree Nagar, Bharuch in Gujarat. The Company's turnover has gone up from Rs.934 crores in the year 2002-03 to Rs. 1313 crores in the year 2007-08. In the past five years, there is a marked change in business environment. Competition has increased. All the products of the Company competes with domestic and imported material. There is continuous threat of dumping of imported Polyester and Nylon Tyre Cord in the domestic market at a very cheap rate.

The Board Members of the Company comprises of outstanding professionals and the Company is being benefited by their expert advice/ guidance from time to time.

The Board, exercise appropriate control and provide strategic guidance to business of the Company. The Board has constituted various Committee of Directors, such as Audit Committee covering wide and varied functions of the Company including review of quarterly financial results with Statutory Auditors, review of internal audit reports and programme with Internal Auditors, effectiveness of internal control procedures and systems and their adequacy, risk management, follow-up of the outstanding issues and similar important issues. There are also Committees of Directors, such as, Shareholders/Investors Grievance Committee and Share Transfer Committee so that there is better compliance of corporate governance and monitoring of various functions by these two Committees. Beside these, there is various compliance of SEBI/Stock Exchange Rules and Regulations, Code of Conducts, provisions of the Companies Act and other laws. All these activities need involvement and high degree of monitoring and supervisions by the Directors.

Section 309 of the Companies Act, 1956 permits payment of commission to Directors upto 1% of net profits of the Company computed in accordance with the provisions of Section 198 of the Companies Act, 1956. Within the permissible limit of 1% of net profits, the Board of Directors is seeking your consent for payment of commission not exceeding Rs. 20 lacs (Rupees Twenty lacs only) per annum in the aggregate with discretion to the Board of Directors to decide the amount to be disbursed in each financial year and its allocation among the eligible Directors.

Section 309(4)(b) of the Companies Act, 1956 and Article 105 permits payment of such commission, with the consent of the shareholders accorded by a Special Resolution.

The Board, therefore, recommend this item of accompanying notice for approval of the members as a Special Resolution.

All the Directors of the Company except Whole-time Director, may be considered as interested or concerned in the resolution.

Item No.7

Mr. G. M. Singhvi has been appointed as a Whole-time Director of the Company w.e.f. 16th May, 2007 for a period of 3 years. While fixing the overall limit of Rs. 1,00,000/- for entertainment allowance, by oversight the word 'allowances' appeared in the overall limits instead of entertainment allowance. This needs correction. It is also considered appropriate to authorise the Chairman of the Board of Directors to grant increment in basic salary and entertainment allowance to Mr. G. M. Singhvi.

The existing paragraph of overall limits after clause (iii) is as follows:

"With authority to the Board of Directors to grant such annual increments in basic salary (total basic salary not exceeding Rs. 2,00,000/- per month) and allowances (total allowances not exceeding Rs.1,00,000/- per month) from time to time as it may deem appropriate".

As regards clause (vii) under the head "(B) Perquisites/ Amenities for payment of ex-gratia and special ex-gratia as per the rules and policies of the Company, it is considered appropriate to pay performance allowance in place of special ex-gratia and to fix following upper limit:

- ex-gratia as per the Rules/Policies of the Company not exceeding 15% of basic salary; and
- performance allowance as may be approved by the Board of Directors/Chairman of the Board of Directors not exceeding 50% of basic salary.

The existing clause (vii) is as follows:

"(vii) Gratuity and ex-gratia as per the Rules/Policies of the Company and special ex-gratia as applicable to Senior Executives of the Company".

The amendments as set out in the resolution have been finalised in agreement with Mr. G. M. Singhvi and are being proposed for consideration of the shareholders.

The explanation together with the accompanied notice be treated as an abstract of the variation in remuneration of Mr. G. M. Singhvi, the Whole-time Director of the Company as required under Section 302 of the Companies Act, 1956.

The Board, therefore, commend this item of the accompanying notice for approval of the shareholders.

None of the Directors, except Mr. G. M. Singhvi, is interested or concerned with this resolution.



DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2008

Dear Shareholders

Your Directors present the 42nd Annual Report and Audited Statements of Accounts of the Company for the year ended 31st March, 2008. The turnover increased by 21% and profit before depreciation, interest and taxation increased by 19%. However, increased depreciation charge, high interest cost and adverse conditions, such as over supply of Polyester POY, high raw material and energy cost, cheap import of Nylon Tyre Cord Fabric (NTCF) continued throughout the year have affected the profitability. Despite these adverse conditions, your Company maintained its market position and achieved these results.

FINANCIAL RESULTS

	Rs. / Crores	
	This Year	Previous Year
Income from Operations (Gross)	1313.34	1089.85
Profit before Depreciation, Interest and Taxation	113.25	94.95
Add / (Less) :		
Depreciation	(59.02)	(54.20)
Interest (Net)	(30.62)	(17.97)
Taxation (Net) (including deferred and fringe benefits tax)	(7.60)	(6.06)
Voluntary Retirement Scheme compensation	(2.60)	—
Net Profit	13.41	16.72
Add : Balance brought forward from previous year	112.77	112.12
Profit available for appropriation	126.18	128.84
Less : Dividend	10.03	12.03
Tax on Dividend	1.70	2.04
General Reserve	1.35	2.00
Balance carried forward to next year	113.10	112.77

DIVIDEND

We recommend a dividend of Rs. 5.00 per Equity Share of Rs.10/- each for the year ended 31st March, 2008 (Previous year Rs. 6.00 per Equity Share of Rs. 10/- each).

COURSE OF BUSINESS AND OUTLOOK

The Management's Discussion and Analysis Report, as required under Corporate Governance, forming a part of this report, is a reflection of the current state of business. It also deals with the opportunities and threats faced by your Company and the Company outlook.

The demand growth of Polyester POY is good. Polyester being cheap yarn among the synthetic yarns and having better properties is a preferred yarn for textiles, catering to both low and high income group. However, over supply position of Polyester POY coupled with high and volatile crude oil prices which moved during the year 2007-08 between U.S. Dollar 76 per barrel in July 2007 to U.S. Dollar 110 per barrel in March 2008 and high energy cost have considerably affected margins.

The demand for Nylon Tyre Cord Fabric (NTCF) is also good. Despite good demand, the margins have been affected due to cheap imports. It is expected that demand for NTCF would continue to grow with large expansion announced by tyre industry.

Efforts are made to improve margins by rationalisation of work force, improvement of plant productivity, cost control, product mix and saving in interest cost. Your Directors are cautiously optimistic for improved performance.

Your Company's thrust on modernisation and debottlenecking of plant continued to improve plant efficiency and quality of products to compete with products manufactured from latest technology plants.

EXPANSION

The capacity expansion of NTCF of 8000 M.T. per annum completed in the quarter ended 31st March, 2007 has been stabilised and operating at full capacity. The product is commanding preferential choice of customers.

HUMAN RESOURCE DEVELOPMENT AND ENVIRONMENT

The report on Management's Discussion and Analysis includes its observations on human relations, approach to human resource development, safety, health and environment.

The fast changing business scenario has brought HRD functions on forefront. The existing performance appraisal system has been fine tuned so that talented and capable employees are identified, appropriately rewarded and groomed for higher level.



The Board wishes to place on record its deep appreciation for sincerity and commitment of its employees to the organisation.

AWARD

We are glad to report that your factory Rajashree Polyfil, Bharuch has been conferred "National Safety Award for Accident Free Year 2005" from National Safety Council and for the fifth consecutive year "Gujarat State Safety Award" for maintaining lowest Disability Injury Index (DII) for the year 2006.

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

Energy conservation measures, progress made in technology absorption and foreign exchange earnings and outgo, as required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are set out in a separate statement attached hereto and forming part of the report.

CORPORATE GOVERNANCE

Your Company reaffirm its commitment to Corporate Governance and is fully compliant with the conditions of Corporate Governance stipulated in clause 49 of the Listing Agreement with Stock Exchanges. A separate section on compliance with the conditions of Corporate Governance and a Certificate from the firm of practising Company Secretaries dated 5th May, 2008 in this regard is annexed hereto and forms a part of the Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956 and on the basis of explanation and compliance certificate given by the executives of the Company and subject to disclosures in the Annual Accounts and also on the basis of discussions with the Statutory Auditors of the Company from time to time, we state as under:

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed;

- (ii) that the directors had 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 profit of the Company for that period;
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) that the directors had prepared the annual accounts on a going concern basis.

DIRECTORS

In accordance with Articles of Association of the Company, Mr. B.K. Birla and Mr. V. Dixit, Directors of the Company will retire by rotation and being eligible, offer themselves for re-appointment.

AUDITORS

Messrs. Price Waterhouse, the Auditors of the Company will retire from the office of the Auditors and being eligible offer themselves for re-appointment. Their remuneration for the current year is to be fixed by you.

COST AUDITORS

The Cost Accounts Records maintained by your Company for both the products – Polyester and Nylon are subject to yearly audit by qualified Cost Auditors. Your Company has appointed M/s. N.I. Mehta & Co., a firm of Cost Auditors for conducting the audit of such records for the financial year 2007-08.

PARTICULARS OF EMPLOYEES

Details of remuneration paid to employees as required by Section 217(2A) of the Companies Act, 1956 are set out in a separate statement annexed hereto and forms a part of the report.

For and on behalf of the Board of Directors

B. K. BIRLA
G. M. SINGHVI
Directors

Place : Mumbai
Date : 5th May, 2008



ANNEXURE TO THE DIRECTORS' REPORT

(Additional information given in terms of Notification 1029 of 31.12.1988 issued by the Department of Company Affairs)

(A) CONSERVATION OF ENERGY

The Company is engaged in the continuous process of energy conservation through improved operational and maintenance practices :

a) Energy conservation measures taken :

1. Installation of Vapour Absorption Chiller to utilise heat of DG sets.
2. Electrical heaters converted to steam heaters on DG sets auxiliary.
3. Installation of VFDs for pumps & fans of various utilities and booster compressors.
4. Optimisation of running of cooling water pump and chilled water pump.
5. Optimisation of running of HP & MP air compressors.
6. Pump impeller changed by smaller diameter and motor replaced with lower capacity motor.
7. AHU optimisation in Industrial Yarn conversion area.
8. Optimisation of load factor.

b) Additional investment and proposals, if any, being implemented for conservation of energy.

1. Installation of additional filter bank for interlaser air to reduce pressure drop.
2. Optimisation of remaining cooling towers by stopping pumps and fans.
3. Installation of blowers & submerged diffusers in place of top mounted aerators at ETP
4. Converting electrical heating of Dowtherm Boiler of Polymerisation Column to thermal heating.
5. HP Air Compressor efficiency improvement.
6. Fixing of energy efficient jets on DT machines.
7. Optimisation of AHU to reduce air flow and cooling TR.
8. Loading and unloading control by introducing PLC in MP compressors.

c) Impact of measures at (a) and (b) above for reduction of energy consumption and on the cost of production of goods :

The above measures have resulted in reduction in consumption of electricity and fuel oils with consequent reduction in the cost of production.

d) Total energy consumption and energy consumption per unit of production as per prescribed Form - A given hereafter.

(B) TECHNOLOGY ABSORPTION

Efforts made in Technology absorption as per Form - B

a) Research & Development (R & D)

(I) Specific areas in which R & D is carried out by the Company:

- Increase in Polymer productivity by reducing dryer cycle time.
- Increase in productivity of Depoly plant.
- Improvement in Polymer filtration systems.
- New spin finish including single component spin finish.
- Improvement in raw material consumption ratio.
- Modification of winders.
- Increase in package weight.
- Development of spare parts with local vendors.
- Creel guide modifications for looms.
- Development of new products.

(II) Benefits derived as a result of the above R & D:

- Quality improvement, customer satisfaction.
- Cost reduction, productivity & efficiency enhancement.
- Reduction in maintenance cost, easy availability of spare parts.
- Enlargement of market base with new products.

(III) Future plan of action:

- Further improvement in quality parameters of finished products.
- Quality improvement in depolactam
- Further development in spin finish oils.

(IV) Expenditure on R & D:

	Rs. crores	
	2007-08	2006-07
(i) Capital	Refer note below	
(ii) Recurring	0.75	0.43
(iii) Total	0.75	0.43
(iv) Total R & D expenditure as a percentage of total turnover	0.06%	0.04%

Note : During the year the Company has not incurred any capital expenditure exclusively for R & D activities, but used the normal capital assets for such activities.


b) Technology Absorption, Adaptation & Innovation
(v) Efforts in brief, made towards technology absorption, adaptation & innovation

- Conversion of two step process (Spinning, Winding & Drawing) to single step process.
- Adoption of master batch technology to produce dope dyed yarn.
- Conversion of mechanical seal system to visco-pack sealing system.

(ii) Benefits derived as a result of above efforts

- Cost saving & meeting customer requirements.
- Increase in life of sealing system and reduction in polymer leakage.

(1) Future Plan of Action

- Trials with suitable additives to produce stabilised polymer.
- Technological improvement in depolymerisation to increase productivity.
- Improving technology for recycling of Lactam concentrate.
- Modification of Lactam pre-heating system for improvement in polymer quality.
- Adoption of technology for usage of bagasse briquette in oil fired Boiler.

(iv) Information regarding imported technology

[Imported during the last 5 years (from the beginning of the financial year)]

(a) Technology Imported	(b) Year of Import	(c) Technology Absorption
Know-how and state of art technology pertaining to the manufacture of polyester and nylon textile filament yarns, polyester and nylon industrial yarns, tyre cord and tyre cord fabric.	2001-02	Technical Know-how Agreement expired on 31.12.2002. Know-how imported under the said agreement had been fully absorbed.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

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

The Company continues its efforts to develop export markets throughout the year but did not receive adequate response due to adverse impact of rupee appreciation on price realisation. The concerted efforts are still underway.

- b. Total foreign exchange used and earned is contained in Schedule I item 17(c),(d),(e) and (f) in notes on Accounts.

(PURSUANT TO SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956)
FORM - A (SEE RULE 2)
FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	Current Year 2007-08	Previous Year 2006-07		Current Year 2007-08	Previous Year 2006-07
A. POWER AND FUEL CONSUMPTION			B. ENERGY CONSUMPTION PER UNIT OF PRODUCTION		
1. ELECTRICITY			PER UNIT OF PRODUCTION		
(a) Purchased			PRODUCTS (With Details) UNIT		
Units (KWH)	49158074	52920650	1. ELECTRICITY (Kwh/Ton of Product)		
Total Amount (Rs. in Lacs)	2291.54	2172.21	(a) Synthetic Textile Yarns	1536	1714
Rate per Unit (Rs.)	4.66	4.10	(b) Industrial Yarn / Fabric	3604	3838
(b) Own Generation			(c) Polyester Chips	109	125
Through diesel generators			2. FURNACE OIL/LSHS		
Units (KWH)	148242393	131109786	(Ltrs/Ton of Product)		
Units per Litre of fuel oil	4.27	4.32	(For Steam Generation)		
Cost per unit (Rs.)	4.36	3.74	(a) Synthetic Textile Yarns	71	74
(c) F.O. / L.D.O.			(b) Industrial Yarn / Fabric	216	257
(For Own Generation)			(c) Polyester Chips	79	84
Quantity (Litres)	34698103	30384044	3. NITROGEN (NM3 /Ton of Product)		
Total Amount (Rs. in Lacs)	6461.10	4896.64	(a) Synthetic Textile Yarns	22	24
Rate/Unit (Rs.)	18.62	16.12	(b) Industrial Yarn / Fabric	31	23
2. FURNACE OIL/LSHS			(c) Polyester Chips	7	7
(For Steam Generation)					
Quantity (Litres)	8973016	9377289			
Total Amount (Rs. in Lacs)	1691.65	1548.18			
Rate/Unit (Rs.)	18.85	16.51			
STEAM (COST PER TON)					
Units (TON)	182992	171220			
Units per Ton of fuel	20.39	18.26			
Cost per unit (Rs.)	924	904			
3. NITROGEN					
Units (NM)	3126308	2471560			
Total Amount (Rs. in Lacs)	69.76	39.27			
Cost per unit (Rs.)	2.23	1.59			