

CENTURY ENKA LIMITED



46th Annual Report 2011-2012

QUALITY driven!



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 Sixth Annual Report 2011-12 CENTURY ENKA LIMITED

BOARD OF DIRECTORS

Mr. B. K. Birla (Chairman)
Mr. R. A. Shah
Mr. B. S. Mehta
Mr. S. K. Jain
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	The Royal Bank of Scotland N.V.
Axis Bank	

HEAD OFFICE

'Bakhtawar', 7th Floor
Nariman Point
Mumbai-400 021.
Tel. No. 022-4321 5300 / 2202 7375
Fax No. 022-4321 5353 / 2287 3952

REGISTERED OFFICE

Century Arcade, 2nd Floor
Narangi Baug Road
Pune - 411 001.
Tel. No. 020-2616 6511
Fax No. 020-2616 6511

KOLKATA OFFICE

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

FACTORIES

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

Raigad Processors
Plot No. C-61, Part-A, MIDC Area,
Mahad-402 309, Dist.: Raigad
Tel. No. 02145-232136
Fax No. 02145-232142

Rajashree Polyfil
Rajashree Nagar, Post: Umalla-393120
Dist.: Bharuch
Tel. No. 02640-308555
Fax No. 02640-308510

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

SHARE TRANSFER AGENT

LINK INTIME INDIA PRIVATE LIMITED

C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai-400 078
Tel. No.: 022-2594 6970; Fax No.: 022-2594 6969

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NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the 46th Annual General Meeting of the Shareholders of CENTURY ENKA LIMITED will be held at Pudumjee Hall, Mahratta Chamber of Commerce, Industries and Agriculture, Tilak Road, Pune-411 002 on Monday, the 2nd July, 2012 at 12.30 P.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, 2012.
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 reappointment.
4. To appoint a Director in place of Mr.S.K. Jain who retires by rotation and being eligible offers himself for reappointment.
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 such approvals as may be necessary and pursuant to the provisions of Schedule XIII to the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 (including any statutory

modification or re-enactment thereof) and any guidelines, circulars, notifications in connection with managerial remuneration issued by the Central Government from time to time, and in view of the approval of the remuneration of Mr. G M Singhvi by the Remuneration Committee of Directors of the Company, the Company be and is hereby approves, ratifies and confirms the payment of remuneration of Rs.103.13 lacs including perquisites and benefits to Mr. G M Singhvi, Whole-time Director for the financial year 2011-12 (and contribution of gratuity as per the scheme of the Company) in terms of the resolution passed by the shareholders in 44th Annual General Meeting of the Company held on 2nd July, 2010 and for the rest of the tenure in case of inadequate profits or no profits in any financial year, provided the remuneration for that financial year is within the limit stipulated in the resolution passed by the shareholders in the said Annual General Meeting of the Company held on 2nd July, 2010”.

“RESOLVED FURTHER THAT the Board of Directors (which includes Remuneration Committee of Directors) be and is hereby authorised to do all such acts, deeds and things as may deemed expedient to give effect to the above resolution”.

By Order of the Board

Place: Mumbai

Date : May 02, 2012

C. B. GAGRANI

Secretary

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 Tuesday, the 19th June, 2012 to Thursday, the 28th June, 2012, 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 28th June, 2012 or to their mandatees. 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 dispatched or credit will be given under National Electronic Clearing Services (NECS) / Electronic Clearing Services (ECS) as the case may be on or after 6th July, 2012.
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 at least 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, Maharashtra, Pune by submitting an application in the prescribed form.
(ii) Those members who have not encashed dividend warrant for the financial years 2004-05 to 2010-11 may return the time barred dividend warrant or write to the Company's Share Transfer Agent, M/s. Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. 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 2004-05 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 2004-05 will fall due for transfer to the said Fund on 1st August, 2012.**



As regards unclaimed dividend for the financial years 1995-96 to 2003-04, 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 dematerialized form shall be credited to the beneficial owner's bank account directly through NECS / ECS wherever NECS/ ECS facility is available subject to availability of bank account details / core banking account number 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 NECS / ECS facility, should provide the bank details / core banking account number and 9 digits code number in NECS / ECS Mandate Proforma. Shareholders who have already given their Bank details to avail NECS / ECS facility should furnish the same only if there is any change.

The NECS / ECS Mandate Proforma can be obtained from the Company's Share Transfer Agent, M/s. Link Intime India Private Limited

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. The 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. Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. 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 dematerialized form, should intimate change of their address, if any, to their Depository Participant.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 READ WITH SCHEDULE XIII TO THE ACT:

Item No. 6

The reappointment and remuneration of Mr. G M Singhvi as Whole-time Director of the Company for three years with effect from 16th May, 2010 has been approved by the resolution passed by the shareholders in the Annual General Meeting of the Company held on 2nd July, 2010. The payment of remuneration to Mr. G M Singhvi for the financial year 2011-12 is within the limit stipulated in the said resolution of 2nd July, 2010. However, pursuant to the relevant provisions of managerial remuneration and Schedule XIII to the Companies Act, 1956 which provides that in case of inadequacy of profits, the remuneration in excess of Rs.48 lacs can be paid, if the payment of remuneration is approved by a resolution passed by the Remuneration Committee of Directors, that there is no default in repayment of any debt or interest payable thereon by the Company and that a Special Resolution is passed by the shareholders at a General Meeting of the Company.

The Remuneration Committee of Directors, consisting three Independent Directors of the Company approved the payment of remuneration to Mr. G M Singhvi for the financial year 2011-12 and for the rest of tenure in case of inadequacy of profits / no profits provided

that remuneration for that financial year is within the limit stipulated in aforesaid resolution of 2nd July, 2010. Further, there is no default in repayment of any debts or interest payable thereon.

Mr. G M Singhvi being a professional Director no approval of Central Government is required pursuant to General Circular No. 46/2011 dated 14th July, 2011 issued by Ministry of Corporate Affairs.

Information in terms of Schedule XIII to the Companies Act, 1956 for seeking approval of the shareholders are given herebelow:

I. General Information

- Nature of Industry:**
Manufacture of Man Made Fibre.
- Date or expected date of commencement of commercial production:**
The Company is in manufacturing operation since 1970.
- In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**
Not applicable.
- Financial performance based on given indicators:**

(₹ in Lacs)

	2008-09	2009-10	2010-11	2011-12
Paid up Capital	2005	2085	2185	2185
Reserves & Surplus	33403	36315	39586	39653
Profit & Loss Account	11629	18616	23401	22921
Domestic Revenue from Operations (Net)	116594	123512	134483	164035
Export Revenue from Operations	—	—	425	916
Total Revenue from Operations (Net)	116594	123512	134908	164951
Other Income	1721	923	1048	1823
Total Revenue	118315	124435	135956	166774
Total Expenses	116057	109181	125337	166739
Profit before Taxation	2258	15254	10619	35
Tax Expenses/(Income) including Deferred Tax	596	5238	2683	(843)
Managerial Remuneration	60	74	87	103



5. **Export performance and net foreign exchange collaborations:**

Export: (₹ in Lacs)

2008-09	2009-10	2010- 11	2011- 12
—	—	425	916

There is no Foreign Exchange collaboration.

6. **Foreign investments or collaborators, if any: NIL**

II. Information about the Appointee:

1. **Background details:**

Mr. G M Singhvi is a Commerce Graduate, Law Graduate and Chartered Accountant. He is with the Company since 1970, except for a short period. Mr. G M Singhvi is the senior most executive of the Company for more than 11 years and is a Whole-time Director since 16th May, 2007. Prior to that from 1st July, 2000, he was Manager of the Company within the meaning of the Companies Act, 1956.

2. **Past remuneration:**

(₹ in Lacs)

	2009-10	2010- 11	2011-12
Salary	63	75	89
Perquisites	5	5	6
Contribution to P.F. and Superannuation	6	7	8
Total	74	87	103

3. **Recognition or awards: NIL**

4. **Job profile and his suitability:**

Mr. G M Singhvi, the Whole-time Director is entrusted with the powers and authorities to manage the affairs of the Company on a day-to-day basis subject to superintendence, direction and control of the Board of Directors. Mr. G M Singhvi is having a vast experience of Corporate Management and Man Made Fibre Industry and successfully managing the affairs of the company for last 11 years.

5. **Remuneration proposed:**

Payment of remuneration for the financial year 2011-12 is within the limit stipulated in resolution passed by the shareholders in Annual General Meeting held on 2nd July, 2010.

6. **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with reference to the country of his origin):**

Remuneration of Chief Executive Officers in the industry in general has gone up manifold in past few years. It is not possible to find out comparative remuneration in the industry with respect to profile of the position and person. The remuneration to Mr.G M Singhvi is purely based on merits.

7. **Pecuniary relationship directly or indirectly with the company, relationship with the managerial personnel:**

Mr.G M Singhvi has no pecuniary relationship with the Company, other than his remuneration as Whole-time Director. There is no managerial personnel related to Mr. G M Singhvi.

III. Other Information:

1. **Reasons of loss or inadequate profits:**

The high and volatile raw materials prices, excess of Polyester POY and Nylon Filament Yarn (NFY) capacity and high cost of furnace oil for power generation have severally affected the margins resulted into very thin profit for the financial year 2011-12.

2. **Steps taken or proposed to be taken for improvement:**

The Company has initiated certain steps such as power purchase and borrowings at cheaper rate. The prices of raw materials and demand of Polyester POY and NFY are influenced by external factors, however, the Company continuous its efforts for the better inventory management, cost control and value addition in production of Polyester POY and NFY to improve the margins.

3. **Expected increase in productivity and profits in measurable terms:**

The Company is very conscious about improvement in productivity and undertake constant measures to improve it. The raw materials for the company's products are crude oil derivative. The crude oil price is highly sensitive to international political situation and demand-supply scenario, resulting into volatility of raw materials prices. It is extremely difficult in present scenario to predict profits in measurable terms.

IV. Disclosure:

The remuneration package alongwith relevant details payable to Mr.G M Singhvi has been mentioned hereinabove and in report on Corporate Governance attached to Directors' Report. The Corporate Governance Report also indicate payment of remuneration to all Directors of the Company. There is no severance fee or stock option to Mr. G M Singhvi. The period of appointment and remuneration to Mr. G M Singhvi is as per Annual General Meeting resolution of 2nd July, 2010. The appointment may be terminated by either party giving to other three months notice. Mr. G M Singhvi is not having any interest in the capital of the Company.

Important Communication

The Ministry of Corporate Affairs, vide its Circular No.18/2011 dated 29th April, 2011, clarify that as a measure of "Green initiative in Corporate Governance" it will be in compliance, if the Annual Report (i.e. documents listed in section 219(1) of the Companies Act,1956) is sent through e-mail. To support this green initiative, members holding shares in demat form are requested to provide their e-mail ID to the depository through their concerned depository participant and members holding shares in physical form are requested to provide e-mail ID to the Company's RTA, M/s.Link Intime India Pvt. Ltd. by filling the form available on the Company's website and also update the e-mail address as and when there is any change.



DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2012

Dear Shareholders,

We are presenting the 46th Annual Report and Audited Statements of Accounts of the Company for the year ended 31st March, 2012. In last year's Annual Report, concern was expressed over the prices of raw materials and fuel oil to remain firm in the background of high crude oil prices. The actual situation was worse than anticipated. Prices of raw materials, fuel oil and gas touched all time high. A major part of the cost could not be passed on to customers. Substantial capacity expansion in Polyester POY and new entrants in Nylon Filament Yarn (NFY) led to surplus availability and intense competition. The combined effect of these factors resulted into erosion of profit margins. In the light of such external adverse conditions, with better inventory management and cost control measures, the erosion in profit margins, to some extent, could be minimised.

FINANCIAL RESULTS

	₹ / Lacs	
	This Year	Previous Year
Net Sales / Income from Operations (Less Excise Duty)	164951	134908
Profit before Depreciation, Finance Cost, Exceptional Items and Tax	9950	18352
Add / (Less):		
Depreciation	(6743)	(6115)
Finance Cost	(3172)	(1618)
Taxation (Net)	843	(2683)
Net Profit	878	7936
Add: Balance brought forward from previous year	23401	18616
Profit available for appropriation	24279	26552
Less: Dividend	1093	1420
Tax on Dividend	177	231
General Reserve	88	1500
Balance carried forward to next year	22921	23401

DIVIDEND

We recommend a dividend at the rate of 50% (i.e. ₹ 5/- per Equity Share of ₹ 10/- each) for the year ended 31st March, 2012 (Previous year 65% i.e. ₹ 6.50 per Equity Share of ₹ 10/- each).

COURSE OF BUSINESS AND OUTLOOK

As required under Corporate Governance, the Management's Discussion and Analysis Report which is forming a part of this

report, is a reflection of the current state of business. It also deals with opportunities and challenges faced by your Company and the outlook for the future.

Looking at the international political scenario, crude oil prices may remain firm. Consequently, prices of all major raw materials, furnace oil and gas are likely to remain high in the current year also. Further, Rupee depreciation against Dollar will also impact their prices. These factors will lead to continued pressure on profit margins in the shorter run.

Your Company's efforts are under way to optimise product contribution, cost control and inventory management to overcome the impact of high cost and improve profit margins.

The commissioning of 7500 tons per annum NTCF capacity & dipping plant at Bharuch site and growing Indian economy with good demand growth in end-use products, your Company perceives that the outlook is positive.

EXPANSION & MODERNISATION

Installation of NTCF Dipping Plant has been completed in second half of the financial year 2011-12. Product approvals from customers have been received and plant has become fully operational. Installation of 4 MW Gas Generating Set could be completed in fourth quarter of the financial year 2011-12 due to delay in receiving various administrative approvals. It has now become operational.

HUMAN RESOURCE DEVELOPMENT AND ENVIRONMENT

The report on Management's Discussion and Analysis includes its observations on human resource development and environment. It is your Company's belief to cultivate competitive capability and effectiveness of its human resources.

Industrial relations at all the plant sites of the Company are cordial. The Wage Agreement for Mahad site expired in December 2010, a new agreement is yet to be concluded.

The Directors would like to place on record their appreciation for the employees efforts at all levels to control cost and improve productivity.

Your Company gives strong thrust on preservation of environment and all the plant sites of the Company are environment regulations compliant.

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

Particulars in respect of conservation of energy, 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 2nd May, 2012 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. S K Jain, 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 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 2011-12.

PARTICULARS OF EMPLOYEES

Pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of employees are set out in the Annexure to the Directors' Report. However, as per the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all members of the Company. Any member, who is interested in obtaining such particulars about employees may write to the Company Secretary at Registered Office of the Company.

For and on behalf of the Board of Directors

B. K. BIRLA
G. M. SINGHVI
(Directors)

Place: Mumbai

Date : May 02, 2012

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 partitions in after treatment area.
2. Replacement of existing chiller with energy efficient chiller.
3. Installation of vapour absorption chiller for heat recovery on power generator.
4. Stoppage of hot standby power generator and making it cold standby.
5. Optimisation of air handling units to reduce air flow and cooling load.
6. Replacement of conventional screws by barrier screws in spinning machines.
7. Replacement of motors with energy efficient motors.
8. Replacement of DC motors with AC motors alongwith

VFD in after treatment area.

9. Optimisation of compressors for low pressure application and suction gun pressure in spinning machines.
10. Optimisation of humidity control system in spinning by stoppage of steam.
11. Modification of air headers to reduce pressure drops in compressed air generation.
12. In Nylon Tyre Cord Fabric expansion, measures were taken to optimise energy consumption from very first day of operation:
 - a. Use of high efficiency motors and pumps.
 - b. Installation of eco-ventilators and provision of natural lighting.
 - c. Installation of filter capacitors to control harmonics.
 - d. HTM heating in place of steam heating.
 - e. Enthalpy controlled air handling systems.
 - f. LNG heating for dipping operations.
 - g. Use of hollow bricks for construction to reduce air-conditioning load.
 - h. Multi-nozzle ejector system to save steam.

b) Additional Investment and Proposals, if any, being implemented / under study for conservation of energy:

1. Modification of dryer vacuum systems and reduction in steam consumption.



2. New highly efficient boiler to replace running of multiple boilers.
3. Installation of latest technology energy efficient cablers.

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:

1. Reduction in consumption of electricity and fuel oils with consequent reduction in cost of production.
2. Environment protection by use of natural gas.

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:

1. Productivity enhancement of draw winder machines.
2. Development of new products.
3. Further modifications in spinning machines to improve operation efficiency of machine.
4. Further development and indigenisation of spares through local vendors.
5. Modification of paper tube of winding machine for better performance and cost reduction.
6. Development of cross flow quench system for POY.
7. Automatic control system for dip solution preparation and transfer.

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

1. Reduction in operating and maintenance cost.
2. Improvement in quality, customer satisfaction and enlargement of market base.

(iii) Future Plan of Action:

1. Modification in quenching system for POY plant.
2. Development of new products.

(iv) Expenditure on R & D:

		₹ / Lacs	
		2011-12	2010-11
1.	Capital	(See Note Below)	
2.	Recurring	206	195
3.	Total	206	195
4.	Total R & D expenditure as a Percentage of total income from operation (Net)	0.12%	0.14%

Note: The Company has spent ₹ 80 Lacs (Previous

year ₹ 75 Lacs) and shown as normal Capital Expenditure, although it is also used for R & D activities.

b) Technology Absorption, Adaptation & Innovation

(i) Efforts in brief, made towards technology absorption, adaptation & innovation:

1. Adoption of technology for natural liquid gas for power generation and for process heating.
2. Technology upgradation for plant control of Polyester plant.
3. Level control system for Nylon polymerisation columns.
4. Adoption of dip fabric process for Nylon Tyre Cord Fabric.

(ii) Benefits derived as a result of above efforts:

1. Reduction in emission of green house gases.
2. Improvement in operating performance.

(iii) Future Plan of Action:

1. Technology sourcing for producing speciality Polyester Yarn.

(iv) Information regarding imported technology:

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

1. Technology imported: NIL
2. Year of import: Not applicable
3. Has the technology been fully absorbed: Not applicable

c) Foreign Exchange Earnings and Outgo

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

The Company has developed market in USA for specific application of Polymer using recycled waste and green energy. Efforts are underway to tap European market as well. The company exported Polyester chips and POY to European and Saarc countries.

During the year export realisation was worth ₹ 916 Lacs (previous year ₹ 425 Lacs). The Company has also made Nylon Textile Yarn sale to domestic 100% EOU and SEZ units worth ₹ 225 Lacs during the year (previous year ₹ 159 Lacs).

2. Total foreign exchange used and earned is contained in Note 42(c), (d), (e) and (f) to the Financial Statement.



(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 2011-12	Previous Year 2010-11		Current Year 2011-12	Previous Year 2010-11
A. POWER AND FUEL CONSUMPTION					
POWER					
1. ELECTRICITY					
(a) Purchased			(b) Furnace Oil Consumption		
Units (KWH)	113764925	112033250	Quantity (Kgs)	3775557	5225091
Total Amount (₹ in Lacs)	7243.48	6307.68	Total Amount (₹ in Lacs)	1392.09	1394.85
Rate per Unit (₹)	6.37	5.63	Rate/Unit (₹)	36.87	26.70
(b) Own Generation Through Generators			3. OTHER FUEL (Used for Process Heating)		
(i) Furnace Oil Based			(i) Furnace Oil		
Units (KWH)	41372948	89217801	Quantity (Kgs)	5387353	5396382
Units per Litre of fuel oil	4.21	4.41	Total Amount (₹ in Lacs)	1986.64	1391.49
Cost per unit (₹)	8.67	5.93	Rate/Unit (₹)	36.88	25.79
(ii) Natural Gas Based			(ii) Heat Purchase		
Units (KWH)	61348460	350199	Units (K.Cal in Lacs)	180002	188878
Units per SCM of Natural Gas	4.21	4.67	Total Amount (₹ in Lacs)	452.11	325.86
Cost per unit (₹)	6.68	5.09	Cost per unit (₹)	251.17	172.52
(iii) Fuel Consumption (For Own generation)			B. ENERGY CONSUMPTION PER UNIT OF PRODUCTION		
Furnace Oil			PRODUCTS (With Details) UNIT		
Quantity (Kgs)	9832106	20220222	1. ELECTRICITY (Kwh/Ton of Product)		
Total Amount (₹ in Lacs)	3589.06	5293.78	(a) Synthetic Textile Yarns	1844	1720
Rate/Unit (₹)	36.50	26.18	(b) Industrial Yarn / Fabric	3387	3526
(iv) Natural Gas Consumption			2. STEAM (Ton / Ton of Product)		
Quantity (SCM)	14561836	74909	(a) Synthetic Textile Yarns	1.8	1.6
Total Amount (₹ in Lacs)	4099.35	17.82	(b) Industrial Yarn / Fabric	2.2	2.5
Rate/Unit (₹)	28.15	23.79			
2. STEAM					
(a) Steam Generation					
(i) Own Generation					
Units (Ton)	111892	120671			
Units per Ton of fuel	29.64	23.96			
Cost per unit (₹)	1244	1156			
(ii) Purchased					
Units (Ton)	62355	55224			
Cost per unit (₹)	1655	1365			