



# CENTURY ENKA LIMITED



**41st Annual Report 2006-07**



**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 First Annual Report 2006-07 CENTURY ENKA LIMITED

### BOARD OF DIRECTORS

Mr. B. K. Birla (Chairman)  
Mr. P. Wack  
(Alternate : 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
UTI Bank	Citibank N A

### 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. 02640 - 308555  
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 Sythetic Fibres - POY Unit  
Plot No. C-61, Part-B, MIDC Area  
Mahad - 402 309, Dist. : Raigad  
Tel. No. 02145 - 232141  
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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*Cover page Photograph : Cable Corders for Nylon Tyre Cord at Bharuch Site*





## NOTICE TO THE SHAREHOLDERS

**NOTICE** is hereby given that the 41<sup>st</sup> Annual General Meeting of the Shareholders of CENTURY ENKA LIMITED will be held at Kala Kunj, 48, Shakespeare Sarani, Kolkata - 700 017 on Wednesday, the 27th June, 2007 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, 2007.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. B. S. Mehta who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

### SPECIAL BUSINESS

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

#### AS ORDINARY RESOLUTION

"RESOLVED THAT Mr. R. A. Shah be and is hereby appointed as a Director of the Company, liable to retire by rotation".

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

#### AS ORDINARY RESOLUTION

"RESOLVED THAT pursuant to Articles 125 and 126 of the Articles of Association of the Company and provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals as may be necessary, the Company hereby approves the appointment of Mr. G. M. Singhvi as Whole-time Director of the Company for a period of 3 (three) years with effect from 16th May, 2007 upon the terms and subject to the conditions as set out hereunder, with further liberty to the Board of Directors to alter and vary the said terms and conditions from time to time, in such manner as may be agreed upon between the Board of Directors and Mr. G. M. Singhvi in the best interests of the Company but subject to the provisions contained in Schedule XIII to the Companies Act, 1956, as amended from time to time:

#### (A) Salary :

- (i) Basic Salary : Rs.1,50,000/- per month
- (ii) House Rent Allowance @ 50% of basic salary
- (iii) Entertainment Allowance : Rs.11,000/- per month  
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.

#### (B) Perquisites/Amenities :

- (i) Expenses on electricity and water will be borne/reimbursed by the Company.
- (ii) Leave travel and medical expenses / allowances as per the Rules of the Company.
- (iii) Leave on full pay and allowances as per the Rules of the Company.

- (iv) Fees of the clubs subject to maximum of two clubs. This will not include admission or life membership fees.
- (v) Personal Accident Insurance as per the Company's Policy as applicable to Senior Executives of the Company.
- (vi) Company's contribution towards Provident Fund (12%) and Superannuation Fund (15%) as per the Rules applicable to Senior Executives of the Company.
- (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.
- (viii) A chauffeur driven car provided and maintained by the Company for use on Company's business and personal use.
- (ix) Telephone, telefax and other communication facilities at residence as applicable to Senior Executives of the Company."

"RESOLVED FURTHER THAT Mr. G. M. Singhvi shall have the powers and authorities to manage the affairs of the Company on a day-to-day basis subject to the superintendence, direction and control of the Board of Directors."

"RESOLVED FURTHER THAT the aforesaid appointment may be terminated by either party giving to the other three months notice in writing."

By Order of the Board

C. B. GAGRANI  
Secretary

Mumbai  
Dated : 16th May, 2007

### 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 Friday, the 15th June, 2007 to Friday, the 22nd June, 2007, 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 22nd June, 2007 or to their nominees. In respect of shareholding in dematerialised form, dividend will be paid to the beneficial owners as at the end of business on 14th June, 2007, 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 29th June, 2007.
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, 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 2005-06 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 the 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](http://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. 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(2) OF THE COMPANIES ACT, 1956**

### **Item No. 5**

Mr. P. Wack has been appointed as a Director of the Company in the casual vacancy caused by the resignation of Mr. P. A. J. Grimmelkhuizen pursuant to Article 103 of the Articles of Association of the Company read with Section 262 of the Companies Act, 1956. Mr. P. Wack has tendered his resignation effective from 27th June, 2007 being the date of forthcoming Annual General Meeting. The vacancy shall be filled-up in the same Annual General Meeting.

Notice alongwith deposit of Rs. 500/- has been received under Section 257 of the Companies Act, 1956 from a member of the Company signifying his intention to propose Mr. R. A. Shah as a candidate for the office of the Director of the Company, liable to retire by rotation. Mr. R. A. Shah is a Senior Partner of M/s. Crawford Bayley & Co., Mumbai, a leading firm of Solicitors & Advocates. He has rich experience in the field of law and corporate affairs. He occupies a place on the Board of various multinational and Indian companies.

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

Except Mr. R. A. Shah who is presently an Alternate Director to Mr. P. Wack, no other Director is interested or concerned with this resolution.

### **Item No. 6**

Mr. G. M. Singhvi who was earlier appointed as a Director in the casual vacancy caused by the death of Mr. D. Y. Gaitonde, has been appointed by the Board of Directors as a Whole-time Director of the Company in terms of Section 269 of the Companies Act, 1956 for a period of 3 (three) years subject to approval of the shareholders of the Company. Mr. G. M. Singhvi's appointment as a Whole-time Director has become effective from 16th May, 2007.

Before the appointment of Mr. G. M. Singhvi as a Whole-time Director, he was the Manager of the Company within the meaning of Section 2(24) of the Companies Act, 1956 vide a resolution passed at the Annual General Meeting held on 28th June, 2006.

Mr. G. M. Singhvi's experience and performance eminently qualifies him for appointment as a Whole-time Director who will have 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.

Accordingly, the resolution in this item of the notice, for approving the appointment of Mr. G. M. Singhvi as a Whole-time Director of the Company upon the terms and conditions as set out in the resolution, is being proposed for consideration of the shareholders. The said terms and conditions may be altered / changed by the Board of Directors in conformity with the Companies Act, 1956 or any amendments thereto.

This explanation together with the accompanied notice be treated as an abstract of the terms of appointment of Mr. G. M. Singhvi as a 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 31<sup>ST</sup> MARCH, 2007

Dear Shareholders

Your Directors present the 41<sup>st</sup> Annual Report and Audited Statements of Accounts of the Company for the year ended 31st March, 2007. The oversupply situation of Polyester POY, high raw material and fuel prices, inter-fiber competition and cheap imports of Nylon Tyre Cord Fabric (NTCF) from China have adversely affected the volume growth. Consequently, the gross turnover has decreased by 4.8%. In spite of these competitive pressures, your Company has been able to maintain its market position and achieve these results.

### FINANCIAL RESULTS

	Rs. / Crores	
	<u>This Year</u>	<u>Previous Year</u>
<b>Income from Operations (Gross)</b>	<b>1089.85</b>	<b>1145.07</b>
<b>Profit before Interest, Depreciation and Taxation</b>	<b>94.95</b>	<b>84.29</b>
Add / (Less) :		
Interest (Net)	(17.97)	(6.69)
Depreciation	(54.20)	(51.29)
Taxation (Net)	(6.06)	(5.81)
(including deferred and fringe benefits tax)		
Voluntary Retirement Scheme compensation	-	(2.91)
<b>Net Profit</b>	<b>16.72</b>	<b>17.59</b>
Add : Balance brought forward from previous year	112.12	110.25
<b>Profit available for appropriation</b>	<b>128.84</b>	<b>127.84</b>
Less : Dividend	12.03	12.03
Tax on Dividend	2.04	1.69
General Reserve	2.00	2.00
<b>Balance carried forward to next year</b>	<b>112.77</b>	<b>112.12</b>

### DIVIDEND

We recommend a dividend of Rs. 6.00 per Equity Share of Rs.10/- each for the year ended 31st March, 2007 (Previous year Rs. 6.00 per Equity Share of Rs.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 the opportunities and challenges faced by your Company and the outlook for the future.

In view of appreciation of Indian Rupee resulting in cheap

import of textile yarn and NTCF and substantial blockage of funds in CENVAT credit, the pressure on margins is likely to continue with higher interest cost. However, efforts are being made to further improve the efficiency by conserving energy and better product mix.

### MODERNISATION & EXPANSION

The capacity expansion of NTCF of 8000 M.T. per annum, after a short delay has been fully completed in the quarter ended 31st March, 2007.

### 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.

Total Productivity Maintenance (TPM) Programme introduced in the year 2005-06 at Pune and Bharuch sites, under the guidance of a consultant for improving the efficiency in operation continued during the year so that maximum employees and workmen can participate in the programme and transform the productivity culture amongst them. The Directors place on record their appreciation for the integrity, commitment and hard work of workmen, staff and management driving the organisation to face high competitive challenges in the industry.

### AWARD

We are glad to report that your factory Rajashree Polyfil, Bharuch has been conferred the winner of the Gujarat State Safety Award for the fourth consecutive year for maintaining lowest "Disabling Injury Index" (DII) for the year 2005.

### 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 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 3rd May, 2007 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

Your Directors report with grief the sad demise of Mr. D. Y. Gaitonde on 23rd March, 2007 who had been associated with your Company since inception. Your Directors place on record their appreciation for the services rendered by Mr. D. Y. Gaitonde in different positions during his employment with the Company and later on as a Director of the Company.

Mr. G. M. Singhvi has been appointed as a Director of your Company on 11th April, 2007 to fill up the casual vacancy

caused by the death of Mr. D. Y. Gaitonde. On 3rd May, 2007 he has been appointed as a Whole-time Director with effect from 16th May, 2007.

Mr. P. Wack was appointed on 3rd May, 2006 as a Director of your Company in the casual vacancy caused by the resignation of Mr. P.A.J. Grimmelikhuisen. Mr. P. Wack has tendered his resignation to become effective from the date of ensuing Annual General Meeting of the Company.

Notice has been received under Section 257 of the Companies Act, 1956 from a member of the Company signifying Mr. R. A. Shah, who is presently Alternate Director to Mr. P. Wack, as a candidate for the office of the Director.

In accordance with the Articles of Association of the Company, Mr. B. S. Mehta, Director of your Company will retire by rotation and being eligible offers himself 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 2006-07.

### 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.

Place : Mumbai  
Date : 3rd May, 2007

For and on behalf of the Board of Directors

**B. K. BIRLA**  
**P. WACK**  
Directors



**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**

Energy Cells at all the three sites of the Company are actively engaged in studying the existing processes and implement energy conservation measures. During the year 2006-07, energy audit was carried out by an external agency. Some of the findings were implemented and few of them are under study.

**a) Energy conservation measures taken :**

1. Replacement of electronic ballast in place of conventional chokes.
2. Optimisation of airwashers by reduction of air flow by replacing pulley for air washer.
3. Installation of timer for tube lights for optimum use.
4. Optimisation of chilled water consumption in spinning & winding hall.
5. Optimisation of compressed air generation.
6. Stopping of ejector steam to dryers during cooling cycle.
7. Installation of booster compressor and instrument air system modification.
8. Installation of energy efficient nitrogen plant.
9. Installation of VFD for compressor.

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

1. Installation of vapour absorption chiller for jacket water on DG sets.
2. Electrical heaters to be converted to steam heaters on DG sets auxiliary.
3. Installation of VFDs for chilled water and cooling tower pumps.
4. Installation of additional filter bank for interlaser air to reduce pressure drop.

**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****e) Efforts made in technology absorption as per Form-B.****Research & Development (R&D)****(i) Specific areas in which R & D is carried out by the Company :**

- Process optimisation of depoly to increase the productivity.
- Process modification in TiO<sub>2</sub> suspension preparation.
- Trials with single component spin finish for industrial yarn.
- New product developments of nylon textile yarn.

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

- Increase in the productivity of depoly.
- Reduction in TiO<sub>2</sub> waste.
- Quality improvement, customer satisfaction.
- New products to broaden market base.

**(iii) Future plan of action :**

- Further increase in depoly productivity.
- Improvement of lactam ratio in textile polymer.
- High tenacity textile yarn.

**(iv) Expenditure on R & D :**

	<u>Rs./Crores</u>	
	2006-07	2005-06
(i) Capital	Refer Note below	
(ii) Recurring	0.43	0.75
(iii) Total	<u>0.43</u>	<u>0.75</u>
(iv) Total R & D expenditure as a percentage of total turnover	0.04%	0.08%

Note - Capital expenditure incurred for R & D activities are also used for normal operations and hence considered as part of normal capital expenditure. Therefore, they have not been shown separately above.

**Technology absorption, adaptation and innovation****(i) Efforts, in brief, made towards technology absorption, adaptation and innovation :**

- Commissioning of Tyre Cord expansion.
- Improve melt screw in Textile & Tyre Cord Spinning.

Development of LOY products on POY machines.





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**ANNEXURE TO THE DIRECTORS' REPORT (CONTD.)****(ii) Benefits derived as a result of above efforts :**

- Increase in market share.
- Improvement in runnability of spinning machines.
- More flexibility of product change over as per market requirement.

**(iii) 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	Continuous access to technical know-how including all improvements, innovations and significant break through during the period of the agreement

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information on foreign exchange earnings and outgo is contained in Schedule I Items 18 (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 2006-07	Previous Year 2005-06	
			Current Year 2006-07	Previous Year 2005-06	
<b>A. POWER AND FUEL CONSUMPTION</b>					
1. ELECTRICITY					
(a) Purchased					
Units (KWH)	52920650	60532577			
Total Amount (Rs. in Lacs)	2172.21	2185.24			
Rate per Unit (Rs.)	4.10	3.61			
(b) Own Generation					
Through diesel generators					
Units (KWH)	131109786	124058993			
Units per Litre of fuel oil	4.32	4.25			
Cost per unit (Rs.)	3.74	3.41			
(c) F.O. / L.D.O.					
(For Own Generation)					
Quantity (Litres)	30384044	29215870			
Total Amount (Rs. in Lacs)	4896.64	4230.21			
Rate/Unit (Rs.)	16.12	14.48			
2. FURNACE OIL/L.S.H.S.					
(For Steam Generation)					
Quantity (Litres)	9377289	7408290			
Total Amount (Rs. in Lacs)	1548.18	1076.47			
Rate/Unit (Rs.)	16.51	14.53			
STEAM (COST PER TON)					
Units (TON)	171220	159432			
Units per Ton of fuel	18.26	21.52			
Cost per unit (Rs.)	904	675			
3. NITROGEN					
Units (NM <sup>3</sup> )	2471560	1963054			
Total Amount (Rs. in Lacs)	39.27	18.93			
Cost per unit (Rs.)	1.59	0.96			
<b>B. ENERGY CONSUMPTION PER UNIT OF PRODUCTION</b>					
PRODUCTS (With Details) UNIT					
1. ELECTRICITY					
(Kwh/Ton of Product)					
(a) Synthetic Textile Yarns	1714	1771			
(b) Industrial Yarn / Fabric	3838	3529			
(c) Polyester Chips	125	112			
2. FURNACE OIL/LSHS					
(Litrs/Ton of Product)					
(For Steam Generation)					
(a) Synthetic Textile Yarns	74	57			
(b) Industrial Yarn / Fabric	257	218			
(c) Polyester Chips	84	78			
3. NITROGEN					
(NM <sup>3</sup> /Ton of Product)					
(a) Synthetic Textile Yarns	24	19			
(b) Industrial Yarn / Fabric	23	30			
(c) Polyester Chips	7	6			

For and on behalf of the Board of Directors

**B. K. BIRLA**  
**P. WACK**  
 Directors

Place : Mumbai

Date : 3rd May, 2007



## ANNEXURE TO THE DIRECTORS' REPORT

STATEMENT CONTAINING INFORMATION AS PER SECTION 217(2A) READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2007

Name, Designation, Nature of Duties, Remuneration Received (Rs.), Qualification, Experience (Years), Date of Commencement of Employment, Age(Years), Last Employment held.

(a) Employed throughout the year and were in receipt of remuneration for the year in aggregate of not less than Rs.24,00,000.

- i. G. M. Singhvi, Sr. President and Manager, Manager within the meaning of section 2(24) of the Companies Act, 1956, 3764044, B.Com., LL.B., F.C.A., 41, 11.09.1997, 65. In practice as Chartered Accountant.
- ii. S. B. Kamat, President, Manufacturing and Marketing, 2550890, B.Tech. (Chemical), 29, 01.04.1994,50.

(b) Employed for part of the year and were in receipt of remuneration at the rate of not less than Rs. 2,00,000/-per month.

- i. M. N. S. Rao, Jt. President, Bharuch Site and Marketing, 440228, B.Sc., C.A., 25, 16.11.1987, 50, Morarji Goculdas Spg. & Wvg. Co. Ltd.

### NOTES:

1. Remuneration includes salaries, house rent allowance, medical expenses / allowances, leave travel assistance, Company's Contribution to Provident & Superannuation Funds and the monetary value of perquisites calculated in accordance with the provisions of the Income-tax Act, 1961 and the Rules made thereunder and excludes terminal payments and contribution to approved Gratuity Fund.
2. Nature of Employment- non-contractual except Mr.G.M. Singhvi whose appointment is on contractual basis.
3. Other Terms and Conditions:
  - (i) Three months' notice on either side.
  - (ii) Gratuity and Personal / Group Accident Insurance as per Company Policy.
4. The above employees are not relative of any Director of the Company.

For and on behalf of the Board of Directors

**B. K. BIRLA**  
**P. WACK**

Directors

Place : Mumbai  
Date : 3rd May, 2007