



**21<sup>ST</sup> ANNUAL REPORT**  
**2005 - 2006**

**ANNUAL REPORT 2005 - 2006****BOARD OF DIRECTORS**

Shri Saurabh Kumar Tayal - Chairman  
 Shri Raman Aggarwal - Managing Director  
 Shri Rajshekhar S. Ganiger  
 Shri Anil Kumar Dubey  
 Shri Subhash Chandra Nigam  
 Shri C.K. Porwal  
 Shri Farinda Bihari Rai  
 Shri Pravin Sharma  
 Shri Romil Agarwal  
 Shri Chandrashekhar Pandey  
 Shri Mahendra Patel  
 Shri Harinder Kumar

**PRINCIPAL BANKER**

Indian Overseas Bank

**AUDITORS**

M/s. Sanjay & Vijay Associates  
 Chartered Accountants

**COMPANY SECRETARY**

Shri Girjesh Shrivastava

**REGISTERED OFFICE**

Village Salvav, Taluka Pardi  
 Near Vapi, Valsad, Gujarat - 396 191

**CORPORATE OFFICE**

Raghuvanshi Mills Compound,  
 11/12, Senapati Bapat Marg,  
 Lower Parel (W), Mumbai - 400 013.

**PLANTS**

Bhilad, Dist. Valsad, Gujarat.  
 Pulgaon, Dist. Wardha, Maharashtra.

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**ANNUAL GENERAL MEETING** on Tuesday, June 6<sup>th</sup> 2006, at 12.00 p.m.,  
 at Village Salvav, Taluka Pardi, Vapi, Dist Valsad, Gujarat 396 191.

**JAYBHARAT TEXTILES AND REAL ESTATE LIMITED**

(Formerly known as : Jaybharat Sarees Ltd.)

**NOTICE**

NOTICE IS HEREBY GIVEN that the 21st Annual General Meeting of the Members of **JAYBHARAT TEXTILES AND REAL ESTATE LIMITED** will be held at the Registered Office of the Company i.e. Village Salvav, Taluka Pardi, Near Vapi, Dist Valsad – 396 191 at 12.00 p.m. on Tuesday the 6th June, 2006 to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Company's Balance Sheet as at 31st March 2006 and Profit and Loss Account for the year ended on that date and Reports of Directors and Auditors thereon.
2. To declare dividend for the year 2005-06.
3. To appoint a Director in place of Shri Rajshekhar S. Ganiger, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Farindra Bihari Rai, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri C.K. Porwal, who retires by rotation and, being eligible, offers himself for re-appointment.
6. To re-appoint M/s. Sanjay & Vijay Associates, Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix the Auditors' remuneration.

**SPECIAL BUSINESS :**

To consider and, if thought fit, to pass with or without modifications the following resolutions as **ORDINARY RESOLUTIONS** :

7. "RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Shri. Romil Aggarwal, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company liable to retire by rotation."
8. "RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Shri Chandrashekhar Pandey, who was appointed as an Additional Director Pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company liable to retire by rotation."
9. "RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Shri Mahendra Patel, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company liable to retire by rotation."
10. "RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Shri Harinder Kumar, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company liable to retire by rotation."
11. "RESOLVED THAT pursuant to the provisions of Section 269, 309, 310, 311 and Schedule XIII and other applicable provisions of the Companies Act, 1956 and other statutes, Shri Raman Aggarwal, the Managing Director be paid in addition to the current remuneration of Rs.10,000/- per month, Commission upto 1% of the Net Profits of the Company, subject however that his total remuneration shall not exceed Rs.6,00,000/- p.a.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution the Board of Directors of the Company be and is hereby authorized to take such steps and to do all such acts, deeds, matters and things as are required under the law".

12. "RESOLVED THAT pursuant to the recommendation of the Board of Directors in this behalf and pursuant further to Article 116 of Articles of Association and subject to the consent and other approvals, if any, a sum of Rs. 15,31,35,000/- standing to the credit of Profit and Loss Account be and is hereby capitalized and aforesaid sum of Rs. 15,31,35,000/- be applied for allotment of Bonus Shares to persons whose name appear on the Register of Members, and in respect of shares held in electronic form to the Beneficial Owners as per the Beneficiary list, on a date to be specified by Board of Directors in the proportion of Fifteen such new Equity Shares for every Ten existing Equity Shares held by such persons respectively on the said date, upon the footing that they become entitled thereto for all purpose as capital.

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RESOLVED FURTHER THAT any of such new shares which on an exact distribution in the proportion aforesaid, would fall to be allotted in fractions be allotted in the name of Directors of the Company upon trust to sell the same and divide the net proceeds amongst the shareholders entitled to such fractions pro-rata in accordance with their rights; and such new Equity Shares, as and when issued and fully paid, shall rank parri pasu with the existing issued Equity Shares.

RESOLVED FURTHER THAT the Board be and is hereby authorized to settle any question or difficulty whatsoever in regard to the issue and allotment of the aforesaid bonus shares including any fractional entitlement of members in such manner as it may think necessary or expedient."

13. "RESOLVED THAT in supersession of all earlier resolutions passed in this regard, pursuant to Article No.4 of the Articles of Association of the Company and Sections 94 and other applicable provisions of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased from Rs.30.00 Crores (Rupees Thirty Crores only) to Rs.55.00 Crores (Rupees Fifty Five Crores only) by creating additional 5,00,00,000 (Five Crore only) Equity Shares of Rs 5/- each.

RESOLVED FURTHER THAT in supersession of all earlier resolutions passed in this regard, pursuant to Section 16 and other applicable provisions of the Companies Act, 1956, Clause V of the Memorandum of Association of the Company be and is hereby altered by deleting the same and substituting, in its place, the following :

"V. Authorised Share Capital of the Company is Rs.55,00,00,000 /- (Rupees Fifty Five Crores only) divided into 11,00,00,000 (Eleven Crores ) Equity Shares of Rs.5/- (Rupees Five only) each with powers to increase or reduce the Capital of the company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential rights, privileges and conditions in such manner as may for the time being provided by regulations of the Company.

To consider and, if thought fit, to pass with or without modifications the following resolution as **SPECIAL RESOLUTION** :

14. "RESOLVED THAT in supersession of all earlier resolutions passed in this regard, pursuant to Section 31 and any other applicable provisions of the Companies Act, 1956, existing Article 3 of the Articles of Association of the Company be and is hereby deleted and new Article 3 be substituted, in its place, as under:
3. The Authorized Share capital of the Company shall be Rs.55,00,00,000/-(Rupees Fifty Five Crores Only) divided into 11,00,00,000 ( Eleven Crore) Equity shares of Rs.5/- each.

## NOTES :

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business is annexed hereto under item no 7 to 10 and forms an integral part of this notice.
2. A SHAREHOLDER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANOTHER PERSON (WHETHER A SHAREHOLDER OR NOT) AS HIS/HER PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. A PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING AND SHALL BE ENTITLED TO VOTE ONLY UPON A POLL.
3. The instrument(s) appointing the Proxy, if any, shall be delivered at the Registered Office of the Company not less than forty eight (48) hours before the commencement of the Meeting and the instrument of proxy shall be treated as invalid in case of default.
4. The Register of Members and Share Transfer Register of the Company will remain closed from Friday, 2nd June 2006 to Tuesday, 6th June 2006 (both days inclusive) to comply with Annual Book Closure requirements.
5. All documents and agreements referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, except holidays, between 10.00 A.M. and 1.00 P.M., up to the date of Annual General Meeting.
6. Members holding shares under multiple folios in the identical order of names are requested to consolidate their holdings into one folio.

**For and on Behalf of the Board of Directors**

Place : Mumbai  
Date : 4th May, 2006

**Saurabh Kumar Tayal**  
Chairman

**JAYBHARAT TEXTILES AND REAL ESTATE LIMITED**

(Formerly known as : Jaybharat Sarees Ltd.)

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM NOS. 7 TO 10 :**

The Board of Directors of the Company (the Board), has appointed, pursuant to provisions of Section 260 of the Company Act, 1956 (the Act) and Article 82 of the Articles of Association of the Company, Shri. Romil Aggarwal, Shri Chandrashekhar Pandey, Shri Mahendra Patel and Shri Harinder Kumar as an Additional Director of the Company with effect from 29th September, 2005.

In terms of the provisions of Section 260 of the Act, Shri. Romil Aggarwal, Shri Chandrashekhar Pandey, Shri Mahendra Patel and Shri Harinder Kumar would hold office upto the date of this Annual General Meeting.

The Company has received notice in writing from some member alongwith a deposit of Rs. 500/- proposing the candidature of Shri. Romil Aggarwal, Shri Chandrashekhar Pandey, Shri Mahendra Patel and Shri Harinder Kumar, for the office of Director of the Company, under the provisions of Section 257 of the Act.

A brief resume of all the above proposed appointees, nature of their expertise in specific functional area and names of Companies in which they hold directorship and memberships/chairmanships of the Board Committee, as stipulated under Clause 49 of Listing Agreement with the Stock Exchange(s) in India, are provided in Report on Corporate Governance forming part of the Annual Report.

The Board commends the resolutions set out at Item nos. 7 to 10 of the Notice for your approval. Save and except Shri Romil Aggarwal, Chandrashekhar Pandey, Mahendra Patel and Shri Harinder Kumar with respect to their individual appointment, none of the other Directors of the company is, in any way, concerned or interested in the resolution.

**ITEM NO. 11 :**

Shri Raman Aggarwal was appointed as Managing Director by the Board on 21st January, 2005 pursuant to section 198, 269, 308, 309, 310 and 311 and schedule XIII of the Companies Act, 1956 subject to the approval of members in the General Meeting for a period of 3 years upon terms and conditions as set out in the Agreement dated 21st January, 2005.

Broad terms and conditions of his appointment are as follows :

A. Salary : Rs. 10000/- P.M.

B. Perquisites : As per Company's Rules, subject to the ceilings prescribed under schedule XIII of the Companies Act, 1956.

In view of his services to the Company during his tenure and with a view to introduce performance based incentives the Board had in its meeting dated 28th February 2006, decided to increase the remuneration of Mr. Raman Aggarwal in the following manner with effect from 1st April 2005.

A : Salary : Rs. 10000/- P.M.

B : Perquisites : As per Company's Rules, subject to the ceilings prescribed under schedule XIII of the Companies Act, 1956.

C : Commission : Upto 1% of the Net Profits of the Company for the Financial year subject however that the total Remuneration inclusive of Salary, Perquisites and Commission shall not exceed Rs. 6.00 Lacs per annum

The Directors recommend the Resolution for members' approval.

None of the Directors except Mr. Raman Aggarwal are interested or concerned in this resolution.

**ITEM NO. 12 :**

The Company has to the credit of its Profit and Loss Account forming part of General Reserves a sum of Rs. 2447.75 Lacs as at 31st March 2006. The Directors propose to capitalize a sum of Rs. 15,31,35,000 out of this to be applied for the issue of 3,06,27,000 new Equity Shares of Rs 5/- each credited as fully paid up as Bonus Shares. Article 116 of the Company's Articles of Association authorizes the capitalization and the issue of the bonus shares by the Company in the manner proposed. The proposed resolution is intended to give effect to the above proposal. New Equity Shares will be issued and allotted as Bonus Equity Shares in the proportion of Fifteen new Equity Shares credited as fully paid up for every Ten existing Equity Shares as proposed in the Resolution. The said Bonus Shares shall rank pari passu in all respects with the existing Equity Shares. The fraction entitlement if any of the respective members will be settled in the manner indicated in the Resolution. The proposed issue of bonus shares will be in compliance with applicable Guidelines issued by Securities Exchange Board of India in this respect. The Bonus Shares will be allotted to such Members of the Company whose name appear in the Register of Members of the Company, and in respect of shares held in electronic form to the Beneficial Owners as per the Beneficiary list, as on the date to be decided by the Board of Directors. Requisite application will also be made to various Stock Exchanges where the existing shares of the Company are already listed for permission to deal in such Bonus Shares.

The Directors recommend the Resolution for Members' approval. The Directors are deemed to be interested or concerned in this resolution to the extent of their shareholding.

**ANNUAL REPORT 2005 - 2006****ITEM NOS. 13 & 14:**

The present Authorised Capital of the Company is Rs.30,00,00,000/- (Rupees Thirty Crores Only) divided into 60000000 Equity Shares of Rs.5/- (Rupees Five Only) each. In order to meet the requirement of the proposed expansion and diversification plans of the Company it is proposed to increase the Authorized Share Capital to Rs.55,00,00,000/- (Rupees Fifty Five Crores Only) divided into 11,00,00,000 Equity Shares of Rs.5/- each (Rupees Five only). Consequent upon the increase in Share Capital, the Clause V of the Memorandum and Article 3 of Articles of Association are also required to be altered. The approval of the members is, hence sought for increase in Authorized Share Capital and consequential amendments in the Memorandum and Articles of Association. The Board recommends the passing of this resolution. None of the Directors is interested in this resolution.

**For and on Behalf of the Board of Directors**

Place : Mumbai  
Date : 4th May, 2006

**Saurabh Kumar Tayal**  
Chairman



**JAYBHARAT TEXTILES AND REAL ESTATE LIMITED**

(Formerly known as : Jaybharat Sarees Ltd.)

**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting the 21st Annual Report and the Audited Statements of Accounts of your Company for the financial year ended 31st March 2006.

**FINANCIAL RESULTS :**

	<b>2005-2006</b> <b>(Rs. In Lacs)</b>	<b>2004-2005</b> <b>(Rs. In Lacs)</b>
Sales	<b>19191.85</b>	<b>7525.45</b>
Other Income	<b>0.00</b>	<b>0.00</b>
Profit before Depreciation, Interest and Tax	<b>3070.31</b>	<b>1036.72</b>
Interest & Finance Charges	<b>2.62</b>	<b>0.04</b>
Depreciation	<b>183.97</b>	<b>9.27</b>
Provision for Tax & Deferred Tax	<b>386.48</b>	<b>100.25</b>
Net Profit (Loss)	<b>2497.24</b>	<b>927.16</b>
Profit / (Loss) brought forward from Previous Year	<b>926.10</b>	<b>92.45</b>
Profit / (Loss) carried to Balance Sheet	<b>3116.84</b>	<b>1003.29</b>

**Note :** Previous year figures have been regrouped / rearranged wherever necessary

**DIVIDEND :**

The Directors are pleased to recommend a dividend of 5% on the Paid up Equity Share Capital of the Company. The dividend (including tax payable by the Company) will absorb Rs. 56.78 Lacs.

**INCREASE IN AUTHORISED SHARE CAPITAL**

In order to expand its Capital your Company has increased its Authorised Share Capital from Rs. 10.50 Crores to Rs. 30.00 Crores by creating additional 1,95,00,000 Equity Shares of Rs. 10/- Each by passing resolution at the Extra Ordinary General Meeting of the Members held on 2nd September, 2005.

**SUBDIVISION OF SHARES OF THE COMPANY**

During the year Equity shares of the Company of the face value of Rs. 10/- each were sub-divided into two Equity Shares of Rs. 5/- each resulting in 10209000 shares of Rs. 10/- each being converted into 20418000 shares of Rs. 5/- each fully paid. The Memorandum and Articles of the Company have been amended accordingly.

**BONUS SHARES :**

The Company has to the credit of its General Reserves a sum of Rs. 2447.75 lacs as at 31st March, 2006. The Directors propose to capitalize a sum of Rs. 15,31,35,000/- out of this to be applied for the issue of 3,06,27,000 new Equity Shares of Rs. 5/- each credited as fully paid up as Bonus Shares. New Equity Shares will be issued and allotted as Bonus Equity Shares in the proportion of Fifteen such new Equity shares credited as fully paid up for every Ten such existing Equity Shares as proposed in the Resolution. The said Bonus Equity Shares shall rank pari passu in all respects with the existing Equity Shares. The proposed issue of bonus shares will be in compliance with applicable guidelines issued by Securities and Exchange Board of India in this respect.

**OPERATIONS :**

The Company has achieved a Sales Turnover of Rs. 19191.85 Lacs in F.Y. 2006 as against Rs. 7525.45 Lacs in F.Y. 2005. Cash accruals have increased to Rs. 2681.21 Lacs from Rs. 936.43 Lacs in F.Y. 2005. The Net Profits have gone up to Rs. 2497.24 lacs in F.Y. 2006 from Rs. 927.16 Lacs in F.Y. 2005. The PBDIT has increased from Rs. 1036.72 Lacs in F.Y. 2005 to Rs. 3070.31 Lacs in F.Y. 2005.



**ANNUAL REPORT 2005 - 2006****ENTRY INTO REAL ESTATE SECTOR :**

Your Company had been exploring opportunities for venturing into other emerging sectors where there is high potential of growth. Accordingly, your Company took a major step towards diversification of its business and ventured into the Real Estate Sector. At the Extraordinary General Meeting of the Company held on 2nd September 2005, the Members approved the alteration of Memorandum of Association of the Company by adoption of new object enabling the Company to venture into the Real Estate Sector. In order to reflect the activities relating to the real estate and construction segment, the name of the Company was changed from 'Jaybharat Sarees Limited' to 'Jaybharat Textiles and Real Estate Limited'. The Company has plans to attain core competence in the sector alongwith the existing business of Textiles.

**FUTURE PLANS :**

On the textile front, the Company is in the process of expanding its capacities both quantitatively and qualitatively under the Technology Upgradation Fund Scheme (TUFs) of Government of India. The Project envisages setting up spinning facilities for 75600 spindles for the manufacture of cotton yarn and 10700 TPA manufacturing. The project is being carried out at village salvav, Taluka Pardi, Vapi, Gujarat and is estimated to cost Rs. 26945 Lacs. On completion of the project the Company shall attain expanded capacities in the segments of textile value chain i.e. yarn spinning, (ring spinning) and textile fabric processing. The project would commence commercial production from September, 2006.

In real estate sector the Company plans to diversify its activities. The diversification includes construction and development of Five Star Hotels, Shopping Malls, Multiplexes, Commercial Area, etc. These projects are likely to have long gestation periods.

The Company has commenced work on a Commercial Complex at Vapi Gujarat. This Complex shall comprise of a Shopping Mall, a Five Screen Multiplex, Restaurants, Food Courts, and Commercial Offices. The complex will also have a Five Star Hotel. This project is expected to be a landmark project for the state of Gujarat.

**SUBSIDIARY COMPANY :**

In the context of the mandatory requirement to present consolidated accounts, which provides members with a consolidated position of the Company including its subsidiary, at the first instance, members are being provided with the Report and Accounts of the Company and the consolidated accounts treating these as abridged accounts as contemplated by Section 219 of the Companies Act, 1956. Members who wish to receive the full Report and Accounts including the Report and Accounts of the subsidiary will be provided with it upon receipt of a written request. This will help save considerable cost in connection with printing and mailing of the Report and Accounts.

**DIRECTORS :**

During the year, Shri Akhilesh Kumar Vora, Shri Sanjay Nimbalkar and Shri Gaurav Thakur resigned from the Directorship of the Company. Your Directors place on record their appreciation of the services rendered by the Directors concerned. Shri Romil Agarwal, Shri Chandrashekhar Pandey, Shri Mahendra Patel and Shri Harinder Kumar were appointed as Additional Directors of the Company during the year.

Shri Farindra Bihari Rai, Shri Rajshekhar Ganiger and C.K.Porwal, Directors, retire by rotation and, being eligible, offer themselves for re-appointment.

**PARTICULARS OF EMPLOYEES :**

There were no employees drawing remuneration of Rs. 24,00,000/- or more per annum employed throughout the year or Rs. 2,00,000/- or more, per month employed for a part of the year.

**DIRECTORS' RESPONSIBILITY STATEMENT :**

Pursuant to requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Director's Responsibilities Statement, it is hereby confirmed :

- (i) that in the preparation of the annual accounts for the financial year ended 31st March 2006, the applicable Accounting Standards had been followed along with proper explanation relating to material departures.
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were 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 or Loss of the Company for the year under review;
- (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 for safeguarding the assets of the Company and for preventing and detecting frauds and



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other irregularities;

(iv) that the Directors had prepared the accounts for the financial year ended 31st March 2006 on a 'going concern' basis.

**ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the Annexure forming part of this Report.

**CORPORATE GOVERNANCE**

Your Company is committed to the adoption of good Corporate Governance practices in letter and spirit. Under the revised Clause 49 of the Listing Agreement, your Directors are pleased to inform that Company has implemented all the mandatory stipulations prescribed under Clause 49. A Certificate from a Practicing Company Secretary in line with Clause 49 is annexed to and forms part of the Director's Report. A detailed report on Corporate Governance and Management discussion and analysis is separately attached.

**AUDITOR'S REPORT**

The remarks made by the Auditors in their Report have been suitably dealt within the schedules and notes and therefore, do not call for any further clarification.

**AUDITORS**

M/s. Sanjay & Vijay Associates, Chartered Accountants, the Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

**EMPLOYEE RELATIONS**

The management employee relations continue to be cordial the Board is committed to strengthen the same and to work towards ensuring health, safety, welfare and a healthy working environment for its employees.

**ACKNOWLEDGEMENT**

Your Directors place on record their appreciation of the assistance and support extended by Banks, Consultants, Solicitors, Shareholders and Employees of the Company.

For and on Behalf of the Board of Directors

Place : Mumbai  
Date : 4th May, 2006

**Saurabh Kumar Tayal**  
Chairman

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## ANNEXURE TO THE DIRECTORS' REPORT :

Information as per Section 217(1)(e), of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year 2005 - 2006

## I. CONSERVATION OF ENERGY

## a) Energy conservation measures taken :

The Company has been making concerted efforts for enhancement in capacity utilisation, cost competitiveness and quality through systematic process monitoring and adherence to technological norms. Sophisticated instruments are used for regulation and adjustment as per parameters. Efforts are also made for upgradation of the quality of the Plant Operation. Utilities are being combined for effective energy conservation.

## b) Additional Investments and Proposals being implemented for reduction of consumption of energy :

The Company, as a matter of policy, has a regular and ongoing programme for investments in energy saving devices. Studies are being made to reduce energy consumption and make suitable investments in this area, if necessary.

## c) Impact of the measures (a) &amp; (b) above for reduction of energy consumption and consequential impact on the cost of production of goods:

The Company has economised considerably the cost of power despite steep hike in the tariffs and is constantly exploring avenues for cost saving as an on-going process.

## d) TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION AS PER FORM A OF THE RULES IN RESPECT OF INDUSTRIES SPECIFIED IN THE SCHEDULE THEREOF

	Year ended 31.03.2006	Year ended 31.03.2005
<b>A. Power and Fuel Consumption in respect of :</b>		
1. Electricity		
(a) Purchased		
1. Units (KWH in Lacs)	43.54	63.18
2. Total amount (Rs. in lacs)	285.62	105.00
3. Rate per unit (Rs/unit)	6.56	6.41
(b) Own Generation		
(Through Diesel Generator/Furnace Oil)		
1. Units (KWH in Lacs)	188.00	50.86
2. Units per litre of fuel	3.82	3.64
3. Cost per unit (Rs/unit)	5.76	5.61
2. Coal	0.00	0.00
3. Furnace Oil Others / Internal Generation	0.00	0.00
<b>B. Consumption per unit of production</b>		
(Product : Yarn & Fabric)		
1. Electricity (KWH/Tonne)	1126.30	0.00
2. Coal (Kgs.)	0.00	0.00
3. Furnace Oil (Ltrs.)	0.00	0.00
4. Steam (Tonnes)	0.00	0.00

**Note :** Since the Company manufactures different qualities of fabrics/yarns with product-mix changing significantly, there are no specific norms for per unit of production.