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KSL REALTY AND INFRASTRUCTURE LIMITED

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**25th ANNUAL REPORT
2006-2007**

KSL REALTY AND INFRASTRUCTURE LIMITED**BOARD OF DIRECTORS**

Shri Saurabh Kumar Tayal – *Chairman*
 Shri Gopal Aggarwal – *Managing Director*
 Shri Samir Antani
 Shri Romil Aggarwal
 Shri S N Dubey
 Shri Harinder Kumar
 Shri Mahendra Patel
 Shri Rajshekhar Ganiger
 Shri Farindra Bihari Rai
 Shri Praveen Sharma

COMPANY SECRETARY

Shri Pradeep Soni

BANKERS

Allahabad Bank, UCO Bank, Indian Overseas Bank, Oriented Bank of Commerce
 Dena Bank
 Andhra Bank

AUDITORS

A.F.Khasgiwala & Co.
 Chartered Accountants

REGISTERED OFFICE

Plot No.69, Danudyog Industrial Area,
 Piperia, Silvassa (Union Territory)

CORPORATE OFFICE

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

REGISTRAR & TRANSFER AGENT

BIGSHARE SERVICES PVT. LTD.
 E-2/3, ANSA INDUSTRIAL ESTATE,
 SAKIVIHAR ROAD, SAKI NAKA,
 ANDHERI (EAST), MUMBAI – 400 072.
 TEL.:28473747 / 28473474 / 28470652

PLANTS

Piperia, Silvassa (U.T.)
 Bhilad, Valsad, (Gujarat)
 Dombivali, Dist. Thane (Maharashtra)
 Kalameshwar Nagpur, (Maharashtra)
 Wada Dist.Thane

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ANNUAL GENERAL MEETING on Saturday, 9th June 2007, at 10.30 a.m.,
 at 65, Krishna Nagar, Samarvani, Silvassa, (Union Territory).

KSL REALTY AND INFRASTRUCTURE LIMITED**NOTICE**

NOTICE IS HEREBY GIVEN that the 25th Annual General Meeting of the Shareholders of KSL Realty and Infrastructure Limited will be held on Saturday, the 9th of June 2007 at 10.30 a.m. at 65, Krishna Nagar, Samarvani, Silvassa (U.T.), to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2007 and the Balance Sheet as on that date and the Reports of Directors and the Auditors thereon.
2. To declare dividend for the year 2006-07.
3. To appoint a Director in place of Shri Romil Aggarwal, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Rajshekhar Ganiger, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Praveen Sharma, who retires by rotation, and being eligible, offers himself for re-appointment.
6. To re-appoint M/s. A. F. Khasgiwala & Co., Chartered Accountants, as Auditor 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 Auditor's remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions

AS ORDINARY RESOLUTIONS:

7. "RESOLVED THAT Shri Gopal Aggarwal, who was appointed by the Board as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 on 26th October 2006 and whose tenure of office comes to an end at this Annual General Meeting, be and is hereby appointed as Director of the Company who shall be liable to retire by rotation."
8. "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 the decision of Board of Directors of the Company appointing Shri Gopal Aggarwal as Managing Director of the Company w.e.f. 26th October 2006 on terms and conditions and at remuneration as set out hereunder for a period of 5 years be and is hereby ratified .

Particulars	From 26 th October 2006 to 26 th January 2007.	From 27 th January 2007
Salary	Rs. 10000/- per month or Rs. 120000/- per annum	Rs. 50000/- per month or Rs. 600000/- per annum
Commission on Net Profit	1% of the Net Profits as Calculated u/s 349 of the Companies Act 1956	1% of the Net Profits as Calculated u/s 349 of the Companies Act 1956
Maximum Remuneration (Including Commission)	Rs. 600000/- per annum.	Rs. 1200000/- per annum

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

9. "RESOLVED THAT in supersession of all earlier resolutions passed in this regard, pursuant to Section 94 and other applicable provisions of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased from Rs.105,00,00,000 (Rs, One hundred and five Crores) to Rs.175,00,00,000 (Rs.One hundred and seventy five Crores) by creating additional 7,00,00,000 (Seven Crore) Preference Shares of Rs.10/- each.

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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. The Authorized Share Capital of the Company is Rs.175,00,00,000 /- (Rupees One Hundred and Seventy Five Crores only) divided into 25,00,00,000 (Twenty Five Crores) Equity Shares of Rs.4/- (Rupees Four only) each and 7,50,00,000 (Seven Crores Fifty Lacs) Redeemable Preference Shares of Rs. 10/- (Rupees Ten Only) each (which shall be redeemed before the expiry of a period of ten years from the date of issue) with powers to increase or reduce the same, to divide the same in shares of several classes permissible under the Act and to attach thereto respectively such preferential, qualified and special rights, privileges and conditions as may be determined under the provision of the law in force for the time being and to vary, modify, abrogate and deal with such a rights, privileges and conditions in the manner provided in law, for the time being in force.”

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

“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 is Rs.175,00,00,000 /- (Rupees One Hundred and Seventy Five Crores only) divided into 25,00,00,000 (Twenty Five Crores) Equity Shares of Rs.4/- (Rupees Four only) each and 7,50,00,000 (Seven Crores Fifty Lacs) Redeemable Preference Shares of Rs. 10/- (Rupees Ten Only) each (which shall be redeemed before the expiry of a period of ten years from the date of issue).

NOTES:

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business under item no.8 to 10 is annexed hereto 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 Thursday, 7th June 2007 to Saturday, 9th June 2007 (both days inclusive) to comply with Annual Book Closure requirements.
5. Members desiring any information with regard to accounts or operations are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
6. Members holding shares under multiple folios in the identical order of names are requested to consolidate their holdings into one folio. Members are requested to immediately notify any change in their registered address specifying full address with Pin Code Number and quoting their registered Folio No. to the Company.
7. All documents and agreements refer 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

For and on Behalf of the Board of Directors

Place : Mumbai
Date : 30/04/2007

SAURABH KUMAR TAYAL
Chairman

KSL REALTY AND INFRASTRUCTURE LIMITED**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.****ITEM NO. 7:**

Shri Gopal Aggarwal was appointed as an Additional Director by the Board on 26th October 2006 under Section 260 of the Companies Act, 1956. He holds office till the conclusion of this Annual General Meeting. The Company has received a Notice along with the requisite deposit amount from a member, under Section 257 of the Act, signifying his intention to propose the candidature of Shri Gopal Aggarwal for the office of the Director of the Company.

Shri Gopal Aggarwal is Graduate in Commerce and has wide experience in textiles business.

The Board recommends the passing of this resolution. None of the Directors is interested in the resolution.

ITEM NO. 8 :

Shri Ramit Aggarwal, Managing Director of the Company resigned from the Board of the Directors of the Company on 26th October 2006 and thus also ceased to hold the office of Managing Director. The Board of Directors of the Company appointed Shri Gopal Aggarwal as Managing Director on 26th October 2006 for a period of Five years w.e.f. 26th October 2006 to 25th October 2011 at a remuneration of Rs. 10000/- per month and 1% of the Net Profit of the Company as computed under section 350 of the Companies Act 1956, subject however that his overall remuneration shall not exceed Rupees Six Lacs per annum. In view of excellent performance of Shri Gopal Aggarwal, the Board of the Directors of the Company on 27th January 2007 increased his remuneration from Rs. 10000/- to Rs. 50000/- per month and 1% of the Net Profit of the Company as computed under section 350 of the Companies Act 1956, subject however that his overall remuneration shall not exceed Rupees Twelve Lacs per annum.

The Directors recommend the Resolution for members' approval.

None of the Directors except Shri Gopal Aggarwal are interested or conse4ned this Resolution.

ITEM NO. 9 and 10 :

The present Authorised Capital of the Company is Rs.105,00,00,000/- (Rupees One Hundred Five Crores Only) divided into 25,00,00,000 (Twenty Five Crores Only) Equity Shares of Rs.4/- (Rupees Four Only) each and 50,00,000 Redeemable Preference Shares of Rs. 10/-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 of the Company Rs.175,00,00,000 /- (Rupees One Hundred and Seventy Five Crores only) divided into 25,00,00,000 (Twenty Five Crores) Equity Shares of Rs.4/- (Rupees Four only) each and 7,50,00,000 (Seven Crores Fifty Lacs) Redeemable Preference Shares of Rs. 10/- (Rupees Ten Only) each (which shall be redeemed before the expiry of a period of ten years from the date of issue). 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.

The consent of the members is sought for alteration in the name clause of the Memorandum of Association of the Company. The Board recommends the passing of this resolution. None of the Directors is interested in the resolution.

For and on Behalf of the Board of Directors

Place : Mumbai
Date : 30/04/2007

SAURABH KUMAR TAYAL
Chairman

ANNUAL REPORT 2006-2007**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting the 25th Annual Report on the business and operations of your Company and the Audited Financial Statements for the year ended 31st March 2007.

FINANCIAL RESULTS

	2006-2007	(Rs. in Lacs) 2005-2006
Sales (Income from operation)	51642.70	34890.30
Other Income	76.98	72.62
Profit before Depreciation, Interest & Tax	9791.07	5758.36
Interest & Finance Charges	1507.17	444.81
Depreciation	2919.10	1281.17
Profit before Tax	5364.80	4032.38
Provision for tax & Deferred Tax Liability	1683.98	840.12
Net Profit for the Year	3680.82	3192.28
Profit available for Appropriation	13218.75	10210.81
Appropriations		
General Reserve	388.72	319.23
Proposed Dividend	387.17	317.97
Tax on Dividend	43.44	35.68
Surplus carried to Balance Sheet	13218.75	9537.93

DIVIDEND

The Directors are pleased to recommend a dividend @ 10% on the paid up equity share capital of the Company.

REVIEW OF OPERATIONS

The Company has achieved a net sales of Rs. 51642.70 Lacs during the 12 months ended March 31st, 2007 as against a net sales of Rs 34890.30Lacs during the previous year ended March 31st, 2006, resulting an increase by 48.01%. The net profit for the year 2006-07 increased to Rs 3680.82 Lacs from previous year profit of Rs 3192.28 Lacs resulting an increase by 15.30%. On a paid up capital of Rs.3871.71 Lacs, the earnings per share works out to Rs.3.80.. The cash accruals of the company for the current year have gone up to Rs.6599.92 lacs from Rs 4473.44 lacs in the previous year.

BONUS ISSUE OF SHARES

The Company has issued 15898500 Equity Shares of Rs. 4/- each to its existing shareholder as on record date 8th July 2006 and create a reserve for issue 151515 Equity Shares of Rs. 4/- each as Bonus to LIC (pending conversion of 5,00,000 Lacs Secured Optionally Fully Convertible Debentures in terms of subscription agreement entered into with LIC) by capitalizing of its general reserve a sum of Rs. 64200060/-. The bonus shares were issued in the proportion of one such new equity share credited as fully paid up for every five of the existing equity shares. The said bonus equity shares shall rank pari passu in all respects with the existing equity shares. The bonus shares issued in compliance with the applicable guidelines issued by Securities Exchange Board of India in this respect.

SUBSIDIARY COMPANY

The Report and Accounts of the subsidiary companies are annexed to this Report along with the statement pursuant to Section 212 of the Companies Act, 1956. However, 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.

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ON GOING EXPANSION PROJECT AND FUTURE PLAN

The members of the Company are aware that over the last few years the Company has been making sustained investments in an integrated textile product chain at a capital cost lower than the prevailing industry average. The Company has also been investing in on going research and development which has enabled the Company to generate new and better product with frequency.

During the year under report the Company has embarked upon an integrated textile project at Kalamehwar, Nagpur and Wada, Thane, Maharashtra, comprising of 100800 ring frame and 48 open ended machine, knitting facilities of 12000 TPA, and processing facility of 24000 TPA, the proposed expansion project is in progress as per schedule, at an estimated cost of Rs. 600 Crore under Textile upgraded fund scheme (TUF) Scheme. The term loan for this integrated project has been fully tied up and part production from the additional capacity already installed had commenced during the year under report.

The Company's longstanding presence in India's Textile Industry provided it a low cost opportunity to capitalize on loosing textile mills possessing Real Estate potential. During the year under report your Company diversified its business and entered into Realty Sector. The Company acquired 10 hectares of land at Nagpur and has undertaken a prestigious project named as "Empress City" at Nagpur. This project comprises of information technology park, five star hotel, shopping malls, multiplex and residential facilities. The Company has employed the best professional, from within the industry like Hafeez Contractor in Design, the Singapur based Site Concepts in land escaping and offer the most competitive professionals to rent the property to the most brand enhancing names in the Country.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of the Company, Shri Romil Aggarwal, Shri Rajshekhar Ganiger and Shri Praveen Sharma, Directors of the Company are due to retire at the forthcoming Annual General Meeting, and being eligible, have offered themselves for re-appointment.

During the year, Shri Ramit Aggarwal resigned from the Directorship as well as office of Managing Director of the Company w.e.f. 26th October 2006. Shri Anil Kumar Dubey and Shri C. R. Pandey have resigned from the Directorship of the Company w.e.f. 30th April 2007. Your Directors place on record their appreciation of the valuable services rendered by Shri Ramit Aggarwal Shri Anil Kumar Dubey and Shri C.R. Pandey to the Company during his tenure of office.

Shri Gopal Aggarwal was appointed as additional director and Managing Director of the Company during the year w.e.f. 26th October 2006.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies (Amendment) Act, 2000 the Directors' confirm that:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) appropriate accounting policies have been selected and applied consistently; and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2007 and of the Profit of the Company for the year under review;
- (iii) proper and sufficient care has been taken 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 other irregularities;
- (iv) the annual accounts have been prepared on a 'going concern' basis for the Financial year ended 31st March 2007.

AUDIT COMMITTEE

The composition of Audit Committee is as given in the Report on Corporate Governance.

SHAREHOLDERS' /INVESTOR GRIEVANCE COMMITTEE

The composition of Shareholders'/Investor Grievance Committee is as given in the Report on Corporate Governance.

REMUNERATION COMMITTEE

The composition of Remuneration Committee is given in the Report of Corporate Governance.

ANNUAL REPORT 2006-2007**REPORT ON CORPORATE GOVERNANCE**

The revised clause 49 of the listing agreement has come into effect from 1st January 2006. Your Company has made due compliance thereof.

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a Management Discussion and Analysis Report and a Corporate Governance Report are made as a part of this Annual Report.

A Certificate from the auditors of the company regarding compliance of the conditions of Corporate Governance as stipulated by Clause 49 of the Listing Agreement is attached to this report.

IMPLEMENTATION OF ERP SYSTEM

The project of implementation of Enterprise Resource Planning (ERP) system package which has been taken last years is still in progress and not yet completed. The Enterprise Resource Planning (ERP) system is immensely helping the Company for better control of its finance, inventory, procurement of raw material etc. through ERP system. The ERP system also helps the Company in taking timely decision as accurate information is readily available. There has been marked improvement in productivity, efficiency and responsiveness of employees of the Company. The management is thus deriving substantial benefits from the introduction of ERP system.

SAFETY, HEALTH AND ENVIRONMENT

Sustained and meticulous efforts continue to be exercised by the Company at all plants of the company, towards greener production and environment conservation. The Company perseveres in its efforts to indoctrinate safe and environmentally accountable behavior in every employee, as well as venders, by rigid compulsory annual training and refresher courses, as well as frequent awareness programs. Mock drills of emergency preparedness are regularly conducted at all the plants showing company's commitment towards safety, not only of its own men and plants, but also of the society at large.

Safety records, at all plants showed considerable improvement and accident statistics showed downward trend. This was made possible by strict adherence to laid down procedures and following of international guidelines. Involvement of workers in all safety matters has been encouraged by their participation in shop floor safety meetings.

The health of employees and the environment in and around the Plant area have been given due care and attention. The Company continued to comply with the prescribed industrial safety environment protection and pollution control regulation at its production plant, through periodic checks of the system involved and constant monitoring to meet the standards set by the pollution control authorities etc.

All the mills of the company are eco-friendly and do not generate any harmful effluents. They have facilities for captive power generation as a stand-by arrangement, to meet any contingency. Safety devices have been installed wherever necessary, although both the spinning and knitting activities are known to be quite safe and free from usual hazards of water and air pollution.

The quality consciousness, professionalism and growth dynamics of KSL & Industries have earned it National & international acclaim and prestigious awards. The Company has been honored with Oeko-Tex Standard 100 Certificate by the Institute of the International Association for Research and Testing in Textile Ecology, the Swiss Textile Institute for the Company's Products stating that the Company's product with direct skin, have shown that the products meet the human-ecological requirements of the standard presently established. The products fulfill the requirements of the existing European legislation regarding the use of azo-dyes.

INDUSTRIAL REALATIONS & HUMAN RESOURCES MANAGEMENT

The Company recognizes that in a people-intensive business, major gains can be scored in the area productivity management. In view of this, the Company strengthened its people management through performance-linked incentives, amenities, training, multi-skilling and career path identification.

The Company is of firm belief that good Human Resource Management would ensure success though high performance. HR strategy and plans of the company are deeply embedded with the organizational goals. In order to enhance the manpower productivity the goal is set to increase the production capacity of the various plants and rationalize the manpower through scientific study. All the operational goals of the top management emanate from the business plan. The goals of CEO are shared with his subordinates who in turn share their goal with their respective subordinates and so on. Regular visits by HR team are being made to all plants to meet the employees and also interaction meetings are conducted to get their feed back, based on which HR policies are improved continuously. The process has resulted in better employee relationship.

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The Company lays due emphasis on all round development of its human resource. Hence training of the employees is aimed at systemic development of knowledge, skills, aptitude and team work. Training is designed for the development of personal skills necessary for the performance of the present job and to prepare them for future growth. Individual development is given top priority to groom high caliber manpower.

CONSERVATION OF 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.

EMPLOYEES

None of the employees drew remuneration of Rs.24,00,000/- or more per annum/Rs.2,00,000/- or more per month during the year. This information is furnished as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

FIXED DEPOSITS

The Company has not invited/received any Fixed Deposits from the Public during the year under report.

INSURANCE

The properties/assets of your Company are adequately insured.

COST AUDIT

The Central Government's Cost Audit Committee Order specifies audit of Cost Accounting Records for certain products of the company every year. The Board of Directors, subject to the approval of the Central Government, have appointed M/s J. K. Kabra & Co., Cost Accountants, as Cost Auditors to carry out this audit in respect of manufacture of textile products for the year ending 31st March 2007.

AUDITORS

M/s. A. F. Khasgiwala & Co., Chartered Accountants, the Auditor of the Company, holds office until the conclusion of the ensuing Annual General Meeting and is eligible for reappointment. The Company has received a letter from M/s. A. F. Khasgiwala & Co. to the effect that their reappointment as Auditors, if made, would be within the limits under Section 224(1B) of the Companies Act, 1956.

AUDITORS' REPORT

The observation of Auditors contained in their Report have been adequately dealt with in the Notes to the Accounts given in Schedule "19" which are self-explanatory and therefore, do not call for any further comments.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation of the assistance and support extended by all Government Authorities, Financial Institutions, Banks, Consultants, Solicitors, and Shareholders of the Company. Your Directors express their appreciation for the dedicated and sincere services rendered by the employees of the Company

For and on Behalf of the Board of Directors

Place : Mumbai
Date : 30/04/2007

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 2006 - 2007

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 program 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) & (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 31.03.2007	Year ended 31.03.2006
A. Power and Fuel Consumption in respect of :		
1. Electricity		
(a) Purchased		
1. Units (KWH in Lacs)	215.65	190.28
2. Total amount (Rs. in lacs)	1026.48	846.74
3. Rate per unit (Rs./unit)	4.76	4.45
(b) Own Generation		
(Through Diesel Generator/Furnace Oil)		
1. Units (KWH in Lacs)	498.03	365.62
2. Units per litre of fuel	3.74	3.65
3. Cost per unit (Rs/unit)	5.94	5.69
2. Coal		
3. Furnace Oil		
Others/Internal Generation		
B. Consumption per unit of production		
(Product : Yarn & Fabric)		
1. Electricity (KWH/Tonne)	1657.48	2193.18
2. Coal (Kgs.)		
3. Furnace Oil (Ltrs.)		
4. Steam (Tonnes)		

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.