



33rd

Annual Report

2008-09



Malwa Cotton Spinning Mills Ltd.



MALWA COTTON SPINNING MILLS LIMITED

THE MANAGEMENT

BOARD OF DIRECTORS

MR. JANGI LAL OSWAL
Chairman-cum-Managing Director
MR. RATTAN SINGH (Nominee of IFCI)
MR. SANJAY KUMAR SUROYA (Nominee of IDBI)
MR. SATISH KUMAR MOHLA (Nominee of PNB)
MR. RISHI OSWAL
MR. RAHUL OSWAL
MR. G.BANSAL
MR. SURINDER KUMAR VIG

AUDITORS : S.C.Vasudeva & Co., New Delhi

BANKERS : Punjab National Bank
State Bank of India
Vijaya Bank
The Jammu & Kashmir Bank Ltd.

REGISTERED OFFICE : Industrial Area - 'A'
Ludhiana - 141 003

WORKS : i) Village Harigarh,
Raikot Road, Barnala (Punjab)
ii) Village Patlian,
Paonta Sahib (Himachal Pradesh)
iii) Village Harian, Kohara-Machhiwara Road,
Distt. Ludhiana (Punjab)

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MALWA COTTON SPINNING MILLS LIMITED

NOTICE

Notice is hereby given that the THIRTY THIRD ANNUAL GENERAL MEETING of the Members of Malwa Cotton Spinning Mills Limited will be held in the premises of Mohan Dai Oswal Cancer Treatment & Research Foundation, Sherpur, G.T. Road, Ludhiana on Saturday, the 26th September, 2009 at 9.30 AM to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009, Profit and Loss Account for the year ended on that date together with the Report of Auditors and Directors thereon.
2. To appoint a Director in place of Mr. G. Bansal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Surinder Kumar Vig, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors for the year 2009-10 and fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED THAT the consent of the Company be and is hereby accorded to the Board of Directors of the Company in terms of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956 to mortgage and/or charge the movable and immovable properties of the Company both present and future (except immovable property at 88, Industrial Area, Ludhiana and Residential colony at Dhanaula Road, Barnala which is exclusively mortgaged in favour of PNB and SBI) and/or the whole or any part of the undertaking(s) of the Company together with the power to take over management of the business and concern of the Company in certain events of defaults(whether such power is contained in the document creating the mortgage/charge or otherwise) in favour of the following :

- a) Punjab National Bank (PNB), State Bank of India (SBI), Vijaya Bank (VB), The Jammu & Kashmir Bank Ltd (J & K Bank), IFCI Ltd (IFCI) & IDBI Bank Ltd (IDBI) to secure their restructured fund based and non-fund based working capital facilities of Rs.107.50 crore and Export Bills Limit of Rs.45 crore on 1st pari-passu charge basis with the existing lenders.

- b) Punjab National Bank (PNB), State Bank of India (SBI), Vijaya Bank (VB), The Jammu & Kashmir Bank Ltd (J & K Bank), IFCI Ltd (IFCI), IDBI Bank Ltd (IDBI) and Small Industries Development Bank of India (SIDBI) for their existing Term Loans & Working Capital Term Loans & fresh Term Loans/FITL/WCTL for Rs.172.48 crore on 1st pari-passu charge basis.

together with interest at respective rates, additional interest, liquidated damages, compound interest, commitment charges, of the Loan Agreement(s) as amended from time to time."

"Resolved further that the Board of Directors be and is hereby authorized to finalize, settle and execute such documents/deeds/agreements/papers as may be required for creating aforesaid mortgage and/or charge and to do all such acts, deeds and things as may be deemed fit or considered necessary or incidental thereto in order to give effect to the said resolution."

6. To consider and if thought fit, to pass, with or without modification, the following resolution as a Special Resolution.

"RESOLVED THAT in partial modification of the resolution already passed by the members of the company in accordance with the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the provisions of Articles of Association of the Company, the Listing Agreement entered into between the Company and the various stock exchanges, the Guidelines for Preferential Issues contained in the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 (SEBI Guidelines), rules and regulations framed by Reserve Bank of India (RBI) and other statutory/regulatory authorities, and subject to all applicable norms, guidelines, regulations in force, and statutory approvals, consents, permissions or sanctions as may be necessary of appropriate authorities, institutions or bodies and subject to such conditions as the authorities may impose at the time of granting their approvals/consents/permissions/sanctions and which may be agreed to by the Board of Directors of the Company (the "Board") which expression shall include any committee thereof constituted/to be constituted by the Board for exercising the powers conferred on the Board by the Resolution, if it thinks fit in the interest



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of the Company, whereby consent of the company was accorded to the Board to create, offer, issue and allot 11,00,000 (Eleven lacs only) Equity Share Warrants, each Equity Share Warrant to be converted into one Equity Share of Rs.10/- each, inclusive of premium of Rs.10/- per Equity Share, being the price which is in accordance with the SEBI (Disclosure and Investor Protection) Guidelines, 2000 for Preferential Issue, as amended from time to time, for an aggregate nominal value not exceeding Rs.220 lacs (Rupees Two hundred twenty lacs only) at a price of Rs. 20/- per warrant for cash to the promoters of the Company, to the extent that full disclosures, in the explanatory statement to the notice for the Extra Ordinary General Meeting held on 5th May, 2009, was not made earlier which is now being made by way of full disclosures in the Explanatory Statement appended hereto this notice in terms of clause 13.1A of SEBI (DIP) Guidelines, 2000, the consent of the company be and is hereby accorded to the modification/passing of the earlier resolution.

Resolved further that all the acts, deeds and things as already done and deemed fit to be done by the Board with regard to the allotment of Equity Share Warrants to the promoters of the company in terms of the earlier resolution be and are hereby ratified and approved."

By order of the Board

Place : Ludhiana
Dated : 10.08.2009

DINESH GUPTA
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING, THE BLANK PROXY FORM IS ENCLOSED.
2. The information pursuant to Corporate Governance Clause of the Listing Agreement(s) regarding the directors seeking appointment/re-appointment in the Annual General Meeting as proposed in Item No. 2 & 3 of the Notice is also being annexed hereto respectively and forms part of the Notice.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from 25.09.2009 to 26.09.2009 (both days inclusive).

4. Members holding shares in physical form are requested to notify the change in their addresses, if any, to the Registrar & Transfer Agent/Company immediately quoting their Folio Number(s). However, members holding shares in electronic mode may notify the change in the address, if any, to their respective Depository Participants.
5. Members desiring any information, as regards Accounts are requested to write to the Company at its Registered Office at least 10 days before the date of Annual General Meeting so as to enable the management to keep the information ready.
6. The copies of relevant documents can be inspected at the Registered Office of the company on any working day between 10.30 AM to 12.30 PM.
7. Members are requested to bring their copy of Annual Report along with them at the Annual General Meeting.
8. INFORMATION REQUIRED PURSUANT TO CORPORATE GOVERNANCE CLAUSE OF THE LISTING AGREEMENT(S) REGARDING THE DIRECTORS RE-APPOINTMENT IN THE ANNUAL GENERAL MEETING AS PROPOSED IN ITEM NO.2 AND 3 OF THE NOTICE IS AS UNDER :

Mr. G.Bansal

Mr. G.Bansal is post Graduate and is a Financial Consultant. He has strong financial and accounting background and having more than 39 years experience. His date of birth is 18.01.1941 and date of appointment is 18.08.1992.

He is chairman of Audit Committee and member of Share Transfer Committee, Shareholders/Investors Grievance Committee & Remuneration Committee of the Company.

Mr. Surinder Kumar Vig

Mr. Surinder Kumar Vig is Law graduate having more than 30 years experience in legal profession. His date of birth is 07.06.1950 and date of appointment is 31.01.2008.

He is a member of Audit Committee, Shareholders/Investors Grievance Committee, Share Transfer Committee & Remuneration Committee of the Company.

By order of the Board

Place : Ludhiana
Dated : 10.08.2009

DINESH GUPTA
Company Secretary



MALWA COTTON SPINNING MILLS LIMITED

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO.5 OF THE SPECIAL BUSINESS

The members are informed that your company has approached its lenders for restructuring of term loan/Working capital facility under CDR mechanism through PNB (Monitoring Institution). The CDR Cell, Mumbai has approved the proposal for restructuring and the Banks/lenders (i.e. PNB, SBI, VB, J & K Bank, IFCI & IDBI) asked the company to create charge on restructured fund based/non-fund based/short term loan facility of Rs.107.50 crore, export bills limits of Rs.45 crore, working capital term loan facility of Rs.25 crore & existing WCTL of Rs. 21.29 crore and FITL facility of Rs. 36.52 crore, SIDBI for its Term loan of Rs.2 crore, IFCI for its Term loan of Rs.70.28 crore, IDBI for its Term loan of Rs.16.37 crore & SBI for its Term loan of Rs. 1.02 crore. It needs to create/modify charge on all the immovable properties of the company to secure their credit facility(ies)/Term loans.

Accordingly members' approval is solicited for the same pursuant to section 293(1)(a) of the Companies Act, 1956.

MEMORANDUM OF INTEREST

None of the Directors is interested in this resolution

ITEM NO.6 OF THE SPECIAL BUSINESS.

The members are aware that in the Extra Ordinary General Meeting held on 5th May, 2009 a Special Resolution was passed whereby the shareholders had given their consent for the issue of 11,00,000 (Eleven lacs only) Equity Share Warrants to be converted into Equity shares as per SEBI guidelines on preferential basis to the promoters of the company. Accordingly 11,00,000 Equity Share Warrants for an aggregate value of Rs.220 lacs were allotted on 27.07.2009 to the promoters of the company namely M/s Jangi Growth Fund (P) Ltd, M/s Neelam Growth Fund (P) Ltd & M/s Rishi Growth Fund (P) Ltd. The company had earlier applied for In-principle approval under clause 24(a) of the Listing Agreement to NSE & BSE. But both the Stock Exchanges pointed out that the company has not made full disclosure as required under clause 13.1A in the notice dated 11.04.2009 of the Extra Ordinary General Meeting held on 5th May, 2009. Therefore, necessary disclosures as per clause 13.1A of the SEBI (DIP) Guidelines, 2000 and in terms of section 173 of the Companies Act, 1956 for the Explanatory Statement for material facts relating to the business under Item No.1 of the notice dated 11.04.2009 are made as under:

- The objects of the issue:
To augment long term working capital funds of the company which is necessitated in view of the Corporate Debt Restructuring (CDR) already passed by the FIs & Banks
- Intention of promoters/ directors/key management persons to subscribe to the offer:
As the issue of the Equity Share Warrants is on preferential basis, the promoters' group companies namely M/s Jangi Growth Fund (P) Ltd, M/s Neelam Growth Fund (P) Ltd & M/s Rishi Growth Fund (P) Ltd are entitled for subscription to the aforesaid Equity Share Warrants.
- Shareholding pattern of the Company before and after the issue:

Category of shareholder	Before Issue		After issue (after conversion of warrants into shares)	
	No. of Shares	% holding	No. of Shares	% holding
Shareholding of Promoter and Promoter Group				
Indian				
Individuals/Hindu Undivided Family	6090	0.09	6090	0.08
Central Government/State Government (s)	Nil	Nil	Nil	Nil
Bodies Corporate	3112675	45.75	4212675	53.29
Financial Institutions/Banks	Nil	Nil	Nil	Nil
Any other (specify)	Nil	Nil	Nil	Nil
Sub-Total (A) (1)	3118765	45.84	4218765	53.37
Foreign				
Individuals (Non-Resident Individuals)	Nil	Nil	Nil	Nil
Foreign Individual(s)				
Bodies Corporate				
Institutions				
Any other (specify)				
Sub-Total (A) (2)	Nil	Nil	Nil	Nil
Total shareholding of promoter and Promoter Group (A) = (A) (1) + (A) (2)	3118765	45.84	4218765	53.37
Public shareholding				
Institutions				
Mutual Fund UTI	700	0.01	700	0.01
Financial Institutions/Banks	1072762	15.75	1072762	13.57
Central Government/State Government(s)				
Venture Capital Funds				
Insurance Companies				
Foreign Institutional Investors	Nil	Nil	Nil	Nil
Foreign Venture Capital Investor				
Any other (specify)				
Sub-Total (B) (1)	1073462	15.76	1073462	13.58
Non-Institutions				
Bodies Corporate	581627	8.55	581627	7.36
Individuals	1990890	29.26	1990890	25.18
Any other (specify)				
NRI	35584	0.52	35584	0.45
Share held by Custodian (H.M.Group)	4700	0.07	4700	0.06
Sub-Total (B) (2)	2612801	38.40	2612801	33.05
Total Public Shareholding (B) = (B) (1) + (B) (2)	3686263	54.16	3686263	46.63
TOTAL (A) + (B)	6805028	100.00	7905028	100.00
Shares held by Custodians and against which Depository Receipts have been issued	Nil		Nil	
GRAND TOTAL (A) + (B) + (C)	6805028	100.00	7905028	100.00



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- iv) Proposed time within which the allotment shall be completed:
The allotment was completed within stipulated 15 days.
- v) The identity of the proposed allottees and percentage of post preferential issue capital that may be held by them:

Name of the Shareholder	Pre Issue Holding	% to Equity Pre-Issue	Share Warrants proposed to be allotted on Preferential Basis	% to Equity Post-Issue
Jangi Growth Fund (P) Ltd	26525	0.39%	4,40,000	5.90%
Neelam Growth Fund (P) Ltd	27500	0.40%	3,30,000	4.52%
Rishi Growth Fund (P) Ltd	27500	0.40%	3,30,000	4.52%

In view of the full disclosures now being made, as above, your directors solicit approval of the members to the modification and ratification of the said resolution.

MEMORANDUM OF INTEREST

Shri Jangi Lal Oswal, Shri. Rishi Oswal and Shri. Rahul Oswal, directors of the company shall be deemed to be interested or concerned in the Resolution.

None of the other Directors of the company is in any way, interested or concerned in the aforesaid Resolution.

Regd. Office
Industrial Area 'A'
Ludhiana
Dated : 10.08.2009

By order of the Board

DINESH GUPTA
Company Secretary



MALWA COTTON SPINNING MILLS LIMITED

FINANCIAL HIGHLIGHTS

(Rs. in Lac)

	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-2000
Share Capital	3404.90	3341.41	3341.41	3341.41	3341.41	3283.00	3283.00	3283.00	1558.39	1558.39
Reserves	2086.15	5495.77	6087.79	5432.85	4244.98	3267.46	6037.44	6602.91	8515.35	10666.37
Net Worth	4765.31	8837.19	9429.20	8774.26	7586.39	6550.46	9320.44	9885.91	10713.74	12224.76
Fixed Assets(Gross)	28588.40	28541.47	28220.17	27966.00	27545.99	27386.15	27229.28	26765.86	25950.52	24708.51
Depreciation	21559.16	20875.70	19977.91	18914.98	17672.65	16383.02	14988.16	13606.14	12120.44	10559.11
Net Block	7029.24	7665.77	8242.26	9051.02	9873.34	11003.13	12241.12	13159.72	13830.08	14149.40
Investments	999.89	997.89	999.64	1093.83	1205.91	1205.91	2599.76	2599.76	2718.76	2627.04
Net Current Assets	16185.09	17600.93	18490.34	18732.16	16152.74	14595.87	13809.89	12734.80	12696.10	14313.20
Net Assets Employed	24214.22	26369.77	27732.24	29038.08	27771.94	27060.62	28697.18	28570.35	29350.68	31116.71
Book Value Per Equity Share(Rs.)	70.03	143.23	152.82	142.21	122.96	117.26	166.85	176.98	191.80	218.84
Gross Income	45958.86	44994.84	42415.14	38059.29	36452.81	36285.74	35993.80	36860.69	39001.73	37101.60
Export Sales(FOB)	9048.71	8479.00	8223.58	7133.26	7383.20	11573.78	13618.63	12339.88	14671.15	13334.27
Gross Profit/(Loss)	(3485.60)	704.26	2052.98	2862.96	1760.41	(1574.52)	806.44	(254.01)	8.18	2175.00
Depreciation	738.07	903.13	1112.89	1260.46	1318.17	1442.45	1382.02	1539.31	1618.86	1522.85
Profit/(Loss)Before Tax	(4223.67)	(198.87)	940.09	1602.50	442.24	(3016.97)	(575.58)	(1793.32)	(1610.68)	652.15
Profit/(Loss) After Tax	(4371.88)	(180.25)	518.74	1188.62	748.15	(1108.03)	(335.35)	(1761.29)	(1611.28)	552.15
Earning Per Share (Rs.)	(69.78)	(8.82)	2.71	13.51	6.90	(25.88)	(11.58)	(36.48)	(31.11)	9.89
Cash Earning Per Share(Rs.)	(58.81)	5.82	20.74	33.94	29.42	(0.06)	13.16	(8.92)	(2.14)	37.14



MALWA COTTON SPINNING MILLS LIMITED

DIRECTORS' REPORT

Dear Members,

The Directors of your Company are pleased to present their 33rd Annual Report on the business of the Company together with the Audited Accounts of the Company for the year ended 31st March, 2009.

	(Rs. in Lac)	
FINANCIAL RESULTS	2008-09	2007-08
Profit/(Loss) before financial expenses & depreciation	(477.89)	3469.31
Financial expenses	3007.71	2765.05
Depreciation	738.07	903.13
Profit/(Loss) before tax	(4223.67)	(198.87)
Profit/(Loss) for the year after tax adjustments	(4371.88)	(180.25)

YEAR IN RETROSPECT

The company has recorded profit/(loss) before depreciation, interest & tax of Rs. (477.89) lac as compared to previous year Rs.3469 lac.

There is world-wide downward recessionary trend in the economy, particularly in textile Industry in India. Further, there has been unprecedented increase in the prices of Cotton, major raw material component, which resulted into increased manufacturing cost & loss to the unit. The Company is under financial stress due to high raw material prices, financial cost and prevailing adverse textile scenario. The company has been facing liquidity crunch and as a result is unable to maintain raw material inventory at reasonable level and honour its commitment towards repayment of term liability.

There has been decline in utilization/efficiency of the installed capacity resulting in to lower production and affecting bottom line of the company adversely. Due to factors like weak export market, over capacity like situation in the spinning sector and sharp increase in cotton prices without corresponding increase in yarn prices and prevailing recession in Global market, the performance of the company is adversely affected.

In view of recessionary conditions and adverse textile scenario, it necessitated for the company to approach financial institutions as well as banks for need based deep restructuring of its financial liabilities under Corporate Debt Restructuring (CDR) System. The Board is pleased to inform that restructuring proposal under CDR mechanism is sanctioned and will be implemented in schedule time. It will

result in reduction in financial cost, deferment/reshedulement of term liabilities as well as improvement in liquidity.

PRODUCTION

During the year, the company has achieved total production of 222 lac kgs for all types of yarns compared to previous year's production of 251 lac kgs. The cotton yarn production was 121 lac kgs against 129 lac kgs in the previous year and other yarns production was 101 lac kgs. against 122 lac kgs. in the previous year. Thread production of 40 lac kgs was also achieved by the company against 41 lac kgs in the previous year.

TURNOVER

During the year, your company has recorded gross sales of Rs. 45890 lac against Rs.44969 lac in the previous year. The company has achieved yarn sale of Rs 25245 lac, Thread sale of Rs.11226 lac and others of Rs. 9419 lac in the current year ending 31st March, 2009 against sale of yarn Rs.26507 lac, Thread Rs.11662 lac and others Rs.6800 lac in the previous year. Export of yarn was at Rs. 9371 lac (CIF) against Rs.8854 lac (CIF) in the previous year.

BARNALA UNIT

The Barnala unit has achieved production of 124 lac kgs. of Yarn and capacity utilization of 93% in the current year. The plant is equipped with latest technology machines to meet the demand of domestic as well as international markets.

PAONTA SAHIB UNIT

The Paonta Sahib unit was also operating at capacity utilization of 83 % and has production of 83 lac kgs of yarns.

MACHHIWARA UNIT

The company's strength lies in value added products. The unit had achieved production of 40 lac kgs of value added products during the year.

The capacity utilisation of Worsted unit was 46% and is below the optimum level due to seasonality of the products and low demand. The unit had achieved production of 15 lac kgs of yarn. The company has changed its product-mix for increasing the capacity utilisation and also introducing new products with better realisation.

FIXED DEPOSITS

The Company has not accepted/renewed any deposits from the public during the year under review under section 58A of the Companies Act, 1956.



MALWA COTTON SPINNING MILLS LIMITED

INDUSTRIAL RELATIONS

Your company has cordial relations with employees and no man-day was lost during the year. The company is very thankful to its employees for the wholehearted support in achieving optimum level of efficiency.

COMPLIANCE OF LISTING AGREEMENT

The equity shares of the Company are listed at The Bombay Stock Exchange and National Stock Exchange. The Company has paid annual listing fee up to 31st March, 2010.

CORPORATE GOVERNANCE

As per Clause 49 of the Listing agreement, a separate Report on Corporate Governance together with Management Discussion and Analysis and certificate from Company's Auditors is annexed and forms part of the report.

AUDITORS

M/s. S.C.Vasudeva & Co., auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and being eligible, offered themselves for re-appointment.

AUDITORS' REPORT

The Auditors' Report on the Accounts is self-explanatory and required no comments except i) non-disclosure of segment results separately in respect of sewing thread segment in accordance with Accounting Standard (AS)-17. Results of the operations of the sewing thread segment is compiled to the extent it could be computed from the books of account, however results of the textile segment (yarn & sewing thread) is disclosed as per Accounting Standard (AS)-17. ii) the company is confident of recovery of debtors in respect of which balances were not confirmed and therefore, no provision has been made for doubtful debts in respect of these debtors as doubtful amount can not be ascertained at this stage.

DIRECTORS' RESPONSIBILITY STATEMENT

Directors' Responsibility Statement pursuant to the provision of section 217(2AA) of the Companies Act, 1956 is attached as per Annexure 'C' and forms part of the report.

DIRECTORS

Sh. G. Bansal and Sh. S.K.Vig retire at the ensuing Annual General Meeting and are eligible for appointment as Directors subject to retirement by rotation. They offer themselves for the re-appointment.

Sh. J.P.Leelrain, nominee of IDBI ceased to be Director of the company. The Board places on record its appreciation for the services rendered during his tenure as Director of the Company.

Sh. Sanjay Kumar Suroya, nominee of IDBI, was appointed as Director on the Board of the company. He is welcome on the board.

Sh. S.C.Bithal, nominee of PNB ceased to be Director of the company. The Board places on record its appreciation for the services rendered during his tenure as Director of the Company. Sh. S.K. Mohla, nominee of P.N.B., was appointed as Director on the Board of the Company. He is Welcome of the Board.

ACKNOWLEDGEMENT

The Board of Directors place on record its appreciation for the valuable assistance, support and guidance extended to the company by the Financial Institutions and Banks. The company also acknowledges the support and co-operation received from dealers, retailers and agents for promoting various products of the company. The Board also wish to express its deep gratitude for the continued support from its shareholders and the employees and appreciate the co-operation and unstinted support extended to the company.

DISCLOSURE OF PARTICULARS

Statement of Particulars of employees pursuant to section 217 (2A) of the Companies Act, 1956 is attached as per Annexure 'A'. Information as per Companies (Disclosure of particulars in the report of Board of Director) Rules, 1988 relating to conservation of energy, technology absorption, foreign exchange earning & outgo is given in Annexure 'B' forming part of this Report.



MALWA COTTON SPINNING MILLS LIMITED

ANNEXURE 'A' TO THE DIRECTORS' REPORT

PARTICULARS OF EMPLOYEES

Statement of Particulars of Employees under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and Forming Part of Directors' Report for the year ended 31.03.2009.

Name	Age	Date of Employment	Qualification	No. of years Experience	Designation & Nature of Duties	Remuneration (Rs. In Lac)	Last Employment held	Designation with last employer	Period of Service with last employer (Years)
Mr. Jangi Lal Oswal	57	09.04.1980	B.A. II Year	38	Chairman-cum- Managing Director	25.94	Oswal Woollen Mills Limited	Commercial Manager	9

1. The appointment of Mr. Jangi Lal Oswal is on contractual basis.
2. Mr. Jangi Lal Oswal is related to Mr. Rishi Oswal and Mr. Rahul Oswal, Directors of the Company.
3. The remuneration includes salary, cash allowances/and perquisite value of other non cash perquisites.

For and on behalf of the Board

JANGI LAL OSWAL
Chairman-cum-Managing Director

Place : Ludhiana
Dated : 30.06.2009

ANNEXURE 'B' TO THE DIRECTORS' REPORT

INFORMATION AS PER SECTION 217(1)(e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

I. CONSERVATION OF ENERGY

The company continues to accord high priority to energy conservation.

- a) Some of the initiatives undertaken for conservation of energy
 - Use of energy efficient motors and modernization of various machines.
 - Improvement in power factors by providing capacitor on different load centers.
 - Electronic Soft start units with Power Saving features installed at various machines.
 - Installation of flat belt, flat pulley & FRP fans at humidification plant.
 - Energy efficient lighting system and modernize mechanical devices.
- b) Further proposed and investment for reduction of energy consumption.
 - Modernization/replacement of obsolete plant & machinery.
- c) Overall impact of measures of above resulting in energy saving.
 - Not ascertainable precisely.
- d) Total energy consumption and energy consumption per unit of production as per Form A in respect of industries specified in the schedule.

FORM A

(Disclosure of particulars with respect to conservation of energy)

A. POWER AND FUEL CONSUMPTION

		2008-2009	2007-2008
1. Electricity			
a) Purchased			
Units	Lac Units	974.71	1021.72
Total Amount	Rs. Lacs	3958.24	3998.40
Rate/Unit	Rs.	4.08	3.91
b) Own generation			
Through diesel			
Generator			
Units	Lac Units	16.79	35.38
Unit/Litre		3.39	3.47
Rate/Unit	Rs.	8.90	8.14