

**30<sup>th</sup>**

**ANNUAL REPORT**  
**2005 - 2006**

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**MANGALAM CEMENT LIMITED**



## **B K BIRLA GROUP OF COMPANIES**

### **The 21st Century Atlas**

#### **Atlas, The Titan - Collective strength of the Group :**

This symbol as a whole, represents the collective strength of the Group. The astute and dynamic management which binds the group together and gives it leadership and direction, is personified in the figure of Atlas. A pillar of strength, Atlas also stands for steadfastness, consistency and reliability.

#### **The Sun - Enlightenment and Growth:**

The head of the Atlas, also represents the Sun. In this context, the Sun stands for a luminous and powerful presence that the Group has over the industrial arena on one hand, and resourcefulness in terms of finance, technological skill, and intellectual leadership on the other.

#### **Earth Segments - Diversified Activities:**

Each latitude around the Titan, represents the different industries or activities that constitute the Group. They individually draw and give strength and support to the central figure of Atlas.

#### **The Globe - Global Vision:**

The Group's Global vision and presence is visually inherent in the figure of the Earth.

#### **The Symmetry and Balance - The resilience, Versatility and stability:**

The overall design, balance and harmonious blend of all the elements, sum up a well conceptualised Industrial conglomerate.

*Strong Foundation*

*Sustained Growth*

*Proven Leadership*

## MANGALAM CEMENT LIMITED



### 30TH ANNUAL REPORT 2005-2006

#### BOARD OF DIRECTORS

Shri O.P. Gupta	Chairman
Shri K.K. Mudgil	
Shri T.S. Vishwanath	
Shri N.G. Khaitan	
Smt. Aruna Makhan	Special Director Appointed by BIFR
Shri K.C. Jain	Managing Director

#### JOINT PRESIDENT (FINANCE & ADMINISTRATION) & COMPANY SECRETARY

Shri R.C. Gupta

#### REGISTERED OFFICE & FACTORIES

P.O. Aditya Nagar - 326520  
Morak  
Distt. Kota (Rajasthan)

#### HEAD OFFICE

9/1, R.N. Mukherjee Road  
Kolkata - 700 001.

#### AUDITORS

Messrs Jain Pramod Jain & Co.  
Chartered Accountants

#### BANKERS

State Bank of India  
State Bank of Bikaner & Jaipur  
The Bank of Rajasthan Ltd.  
HDFC Bank Ltd.  
UTI Bank Ltd.

#### REGISTRAR & SHARE TRANSFER AGENT

M/s. MAS Services Pvt. Ltd.  
(Unit Mangalam Cement Ltd.)  
AB-4, Safdarjung Enclave.  
New Delhi-110 029.  
Tel. No. - 26104142

## NOTICE

NOTICE is hereby given that the 30th Annual General Meeting of the Members of Mangalam Cement Ltd will be held on Wednesday, the 27th December, 2006 at 11.30 A.M. at the Club Hall of Mangalam Cement Ltd, Basant Vihar, Adityanagar 326520, Morak, Dist. Kota (Rajasthan) to transact, with or without modification(s), the following business:

1. To receive, consider and adopt the Audited Accounts for the year ended 30th September, 2006 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri O.P.Gupta who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint auditors and to fix their remuneration and in that connection to pass with or without modification(s), the following Resolution to be moved as an Ordinary Resolution.  
"RESOLVED THAT subject to provisions of Section 224A and other applicable provisions of the Companies Act, 1956, M/s. Jain Pramod Jain & Co., Chartered Accountants, New Delhi, be and are hereby appointed as Auditors of the Company from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and the Board of Directors of the Company, be and is hereby authorised to fix their remuneration and terms of payment as per the recommendations of its Audit Committee."

### Special Business.

4. To consider and if thought fit to pass, with or without modification(s) the following resolution as an Ordinary Resolution:  
"RESOLVED THAT Shri T.S.Vishwanath, who was appointed as an Additional Director by the Board of Directors of the company with effect from 30th April 2006 and who, as per provisions of Section 260 of the Companies Act, 1956, holds office up to the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 257 of the Companies Act, 1956 received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company subject to retirement by rotation."

By Order of the Board,

Registered Office:  
P.O.Adityanagar 326520,  
Morak, Dist.Kota (Rajasthan)

R.C.GUPTA  
Company Secretary

Dated, the 31st day of October 2006

## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER. PROXIES IN THE FORM ANNEXED HERETO MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.
2. Register of members and Share Transfer Books of the Company shall remain closed from Wednesday, the 20.12.2006 to Wednesday, the 27.12.2006, both the days inclusive.
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, for Special Business mentioned in the above Notice is annexed hereto.
4. a. Pursuant to Section 205A of the Companies Act, 1956, all unclaimed/ Unpaid dividends upto the financial year ended 31st March 1995, have been transferred to the General Revenue Account of the Central Government. Those shareholders who have so far not claimed or collected their dividend for the said period may claim their dividend directly from the Registrar of Companies, Rajasthan, Jaipur, by submitting an application in the prescribed form.  
b. (i) Pursuant to Section 205A of the Companies Act, 1956, read together with 205C of the Act, as amended, Dividend for the financial year ended 31st March, 1996 and 31st March 1997, which remained unpaid or unclaimed for 7 years, has been transferred to the Investor Education and Protection Fund constituted by the Central Government.  
(ii) It may be noted that as per amended Companies Act, once the unclaimed dividend is transferred to the Government as above, no claim shall lie in respect of such amounts.
5. **Re-appointment of Directors**  
As per Clause 49 of the Listing Agreement with the Stock Exchanges, the Company is required to provide a brief resume, expertise and names of the companies in which the proposed Directors hold the Directorship and Membership of the Committees of the Board and accordingly, the said information is given herein below in respect of Shri O.P.Gupta and Shri T.S. Vishwanath.  
a) **Shri O.P.Gupta**  
Shri O.P.Gupta aged 86 years is ex-chairman of Punjab National Bank and he is associated with the company since 1980.  
He is also Director in following companies:-  
1. Pudamjee Pulp & paper Mills Ltd.  
2. Rishi Roop Rubber (International) Ltd.  
3. Apollo International Ltd.

**MANGALAM CEMENT LIMITED**

He is also Chairman/Member of following Committees of Directors.

S.No.	Name of the Company	Particulars of Committees	As Chairman/Member
1	Apollo International Ltd.	Audit Committee	Chairman
2	Rishi Roop Rubber (International) Ltd.	Audit Committee	Member
3	Pudamjee Pulp & paper Mills Ltd.	Audit Committee	Chairman

Shri T.S.Vishwanath does not hold any share in the Company as on the date of appointment. The Directors recommend appointment of Shri T.S.Vishwanath as Director of the Company.

Except Shri T.S.Vishwanath, no other Director has any interest or concern in the Resolution.

Registered Office:  
P.O.Adityanagar - 326520  
Morak  
Dist.Kota (Raj)

By Order of the Board

R.C.GUPTA  
Company Secretary

Dated, 31st day of October 2006.

**b) Shri T.S. Vishwanath**

Shri T.S.Vishwanath holds office up to the date of this Annual General Meeting and in respect of whom Company has, pursuant to Section 257 of the Companies Act 1956 received a notice in writing proposing his candidature for the office of Director. The resume and expertise of Shri. T.S.Vishwanath are given in the Explanatory statement, which form part of this Notice.

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

**Item No.4**

Shri T.S.Vishwanath was the Director on the Board of the Company nominated by UTI Assets Management Pvt. Ltd. Formerly Unit Trust of India (UTI). His nomination was withdrawn by UTI with effect from 23.02.2006. After UTI withdrew the nomination, Shri T.S.Vishwanath was appointed as Additional Director, by the Board of the Company, with effect from 30th April 2006, under the provision of Article 104 of the Articles of Association of the Company.

Shri T.S.Vishwanath holds office up to the date of this Annual General Meeting. The Company has received a notice u/s 257 of the Companies Act 1956 from a member, proposing the name of Shri T.S.Vishwanath as Director of the Company. A brief resume of Shri T.S.Vishwanath as required under clause 49(vi)(A) of the Listing Agreement is provided below.

Shri T.S.Vishwanath aged 59 is practicing Chartered Accountant and he was president of Institute of Chartered Accountants of India (ICAI) in the year 1996-97.

He is holding office of Director and Chairman of Audit Committee of Directors in Jeevan Bima Sahyog Assets Management Company Ltd.

## REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 30TH SEPTEMBER, 2006.

Dear Shareholders,

We have the pleasure in presenting the 30th Annual Report of the Company with audited statements of accounts for the year ended 30th September, 2006. The summarized Financial Results are given below:

### 1. FINANCIAL RESULTS

	Current year ended 30 <sup>th</sup> September, 2006 (Rs. In Lacs)	Previous year ended 30 <sup>th</sup> September, 2005 (Rs. In Lacs)
Gross Sales	49723.71	36585.41
Less: Excise Duty	6830.80	6293.61
Net Sales	<u>42892.91</u>	<u>30291.80</u>
Operating Profit before Interest and Financial Charges, Depreciation and Tax	10717.25	3828.01
Less: Interest and Financial Charges	<u>860.32</u>	<u>1072.97</u>
Gross Profit before Depreciation and Tax	9856.93	2755.04
Less: Depreciation (net of transfer from Revaluation Reserve)	<u>1180.47</u>	<u>1167.81</u>
Net Profit before Tax and Exceptional Items	8676.46	1587.23
<u>Exceptional Item</u>		
a. Interest liability for earlier years written back.	--	100.65
Net Profit Before Tax	<u>8676.46</u>	<u>1687.88</u>
Less: Provision for Tax :		
a. Fringe Benefit Tax	24.10	10.55
b. MAT	848.00	-
Deduct MAT credit entitlement	(848.00)	-
c. Deferred Tax	<u>1750.00</u>	<u>-</u>
Net Profit after tax	6902.36	1677.33
Add: Income Tax Refund for earlier years	--	0.19
Profit/(Loss) brought forward from previous year	<u>(3744.01)</u>	<u>(5421.53)</u>
Profit/(Loss) carried forward to next year	<u>3158.35</u>	<u>(3744.01)</u>

### 2. MAT

The Company has reckoned the Minimum Alternate Tax (MAT) of Rs.848 lacs for the year ended 30th September, 2006

and has taken MAT credit entitlement of the similar amount which may be set off against tax liability in accordance with Section 115JAA of the Income Tax Act, 1961. Provision for income tax, if any, for the financial year ending on 31st March, 2007 (Assessment Year 2007-2008), would be determined on the basis of taxable income after set off of unabsorbed losses/depreciation as per the Income Tax Act, 1961.

### 3. DEFERRED TAX

In accordance with the Accounting Standard - 22, the Company has recognized deferred tax due to virtual certainty as regards future profitability. Accordingly, the Company has provided deferred tax liability (net) Rs.1750 lacs.

### 4. DIVIDEND

With a view to conserving liquid resources and strengthening the company's activities, your Directors have decided to retain the internal accruals and hence, do not recommend any dividend for the financial year 2005-2006.

### 5. OVERALL PERFORMANCE

Performance of the Company has been comprehensively covered in the Management Discussions and Analysis Report which forms part of Directors' Report.

### 6. PROJECTS IN PROGRESS

Your Company has taken up various Schemes for cost saving and enhancement in the capacity in phased manner. The Schemes are as under:

#### (a) Cost Saving Scheme

Power is a major component of cost of production. The Company has to rely, at present, on State Grid and Diesel Generating sets which are relatively expensive source of power. Due to this, the overall power cost in our case is significantly higher in comparison with other plants who have their own Captive Thermal Power Plants.

With a view to reducing power cost, the Company is setting up a 17.5 MW coal based thermal power plant involving a capital expenditure of Rs.70 Cr. The progress of power plant is going as per schedule and barring any unforeseen circumstances, it is likely to be commissioned in June, 2007.

#### (b) Capacity Enhancement

The Company is operating its both the units at more than 100% capacity. In order to increase the production, the Company has taken steps for upgradation of its existing plants to increase clinker production capacity of Unit-I by 500 MT per day and of Unit-II by 200 MT per day. It has also taken steps to increase the grinding capacity by 5 Lacs Tones per year. All these will involve a capital expenditure of about Rs.75 Cr and will be financed by internal cash accruals. The



capacity of both clinker and cement is likely to be increased by October, 2007.

- (c) Your Directors are also exploring the possibilities of putting up a grass root plant for which details are being studied in depth.

## 7. FINANCES

- (a) During the year under review, the Company has repaid unsecured loans of Rs.86 Cr which were taken from the promoter companies and at the end of the year, balance outstanding is Rs.10 Cr which has also been repaid in the month of October, 2006 and as on date, the Company does not have any unsecured loan from the promoter companies.
- (b) During the year the company has availed Rs.17 Cr out of the term loan of Rs.52.50 Cr sanctioned by State Bank of India for Captive Power Plant.
- (c) During the year, the company has been sanctioned Working Capital facility of Rs.20 Cr in the form of Cash Credit, Letter of Credit and Bank Guarantee Limits.

## 8. REVIVAL PACKAGE

As reported last year, the Board for Industrial and Financial Reconstruction (BIFR) has, vide its order dt.18th January, 2005, sanctioned the Scheme for the revival of the Company. The Financial Institutions, Banks and Promoters have already fulfilled their obligations as stipulated in the Sanctioned Scheme. However, some of the reliefs are still under the consideration of the Central/State Governments.

Pursuant to the Sanctioned Scheme, Central Board of Direct Taxes (CBDT), has approved carried forward and set off of unabsorbed assessed depreciation as well as unabsorbed assessed business loss of Assessment Year 2004-05 or any earlier assessment years without the time limit of 8 years which can be set off upto the end of Assessment Year 2012-13.

## 9. SALESTAX INCENTIVE

In view of the enactment of Rajasthan Value Added Tax, the Company, in respect of the remaining period of eligibility upto 4th April, 2008, for its new unit, has opted for 75% interest free salestax deferment scheme w.e.f. 1st April, 2006 and the amount of salestax so retained will be repaid after 7 years of the respective quarters as against the earlier scheme of 75% exemption. The company has, however, represented to the State Government to suitably compensate the Company by way of exemption/ subsidy as per the Sanctioned Scheme of 18th January, 2005 approved by the Hon'ble BIFR. Pending decision of State Government, on our representations, the amount so availed has been shown as 'Deferred Salestax Loan' under unsecured loan in the books of accounts.

## 10. INSURANCE

Adequate insurance cover have been taken for the properties of the Company including buildings, plant and machinery and stocks.

## 11. DELISTING OF SHARES

As approved by the Shareholders of the Company at their Annual General Meeting held on 24th December, 2003 and as per the delisting guidelines, the Company had, during the year, received approval for voluntary delisting of Equity Shares of the Company from the Calcutta Stock Exchange Association Ltd., Kolkata.

The Company's Equity Shares continue to be listed at the Bombay Stock Exchange Ltd, Mumbai and the National Stock Exchange of India Ltd, Mumbai.

## 12. DIRECTORS

The nomination of Shri T.S.Vishwanath was withdrawn by UTI Assets Management Pvt.Ltd (formerly Unit Trust of India) w.e.f. 23.2.2006 However, considering the vast experience of Shri Vishwanath and the valuable guidance he has been giving, the Board of Directors appointed him an Additional Director w.e.f. 30.4.2006 and as per the provisions of Section 260 of the Companies Act, 1956, he holds office upto the date of the ensuing Annual General Meeting and in respect of whom, the Company has, pursuant to section 257 of the Companies Act, 1956 received Notice in writing proposing him to be appointed as a Director of the Company.

In accordance with Article 99 of the Articles of Association of the Company, Shri O.P.Gupta retires by rotation and being eligible, offers himself for re-election.

Resumes of S/shri T.S.Vishwanath and O.P.Gupta are given in the Notice of Annual General Meeting.

## 13. AUDITORS' REPORT

Auditors' Report to the Shareholders does not contain any qualification, reservation or adverse remark.

## 14. STATUTORY AUDITORS

M/s. Jain Pramod Jain & Co., Chartered Accountants, auditors of the Company will retire at the ensuing Annual General Meeting and are eligible for re-appointment and they have confirmed that their re-appointment, if made, shall be within the limits of Section 224 (1B) of the Companies Act, 1956. The Board recommend their re-appointment.

## 15. COST AUDIT

Pursuant to the directives of the Central Government under provisions of Section 233-B of the Companies Act, 1956, a Cost Auditor has been appointed to audit Cost Accounts of your Company for the year ended 30th September 2006.

**16. DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of provisions of Section 217(2AA) of the Companies Act, 1956, your Directors declare that :

- (i) in preparation of Annual Accounts, applicable accounting standards have been followed and that no material departure has been made from the same;
- (ii) they have 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 for Financial Year ended 30th September, 2006 and of the profit of the company for that year;
- (iii) they have taken proper and sufficient care for 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 fraud and other irregularities;
- (iv) they have prepared the annual accounts on a going concern basis.

**17. PARTICULARS OF EMPLOYEES**

There is no employee during the year under review in respect of whom the particulars as required to be disclosed with reference to the Companies (Particulars of Employees) Rules, 1975 as amended.

**18. PARTICULARS OF ENERGY CONSERVATION ETC.**

Particulars as required to be disclosed as per Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are set out in the statement attached hereto and form part of this Report.

**19. CORPORATE GOVERNANCE**

A separate report on Corporate Governance is enclosed as part of this Annual Report. Certificate from the Auditors of the Company regarding compliance with the Corporate Governance norms stipulated in Clause 49 of the Listing Agreement is annexed to the Report on Corporate Governance.

**20. PUBLIC DEPOSITS**

The Company has neither invited nor accepted any deposits from the public within the meaning of Section 58(A) of the Companies Act, 1956 during the year under review. As such no amount of principal or interest was outstanding on the date of the Balance Sheet.

**21. CASH FLOW ANALYSIS**

In conformity with the provisions of Clause 32 of the Listing Agreement(s), cash flow statement for the financial year ended 30th September, 06 is annexed hereto.

**22. ACKNOWLEDGEMENTS**

Your Directors place in record, their deep appreciation of

the devoted services rendered by the Employees of the Company who have contributed towards an excellent performance of the Company. Their grateful thanks are due to the State Government of Rajasthan, investors, Bankers and the District level authorities for their support extended to the Company from time to time. Shareholders' appreciation of the Management's efforts expressed at the General Meetings of the Company are a great fillip to strive for better performance.

Yours faithfully,

O. P. Gupta	Chairman
K. K. Mudgil	Director
K. C. Jain	Managing Director

New Delhi

The 31st day of October 2006



## MANGALAM CEMENT LIMITED



INFORMATION AS PER SECTION 217(1)(e) READ WITH COMPANIES (DISCLOSURES OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 30TH SEPTEMBER, 2006.

### 1. CONSERVATION OF ENERGY:

#### A ENERGY CONSERVATION MEASURES TAKEN

##### i). Projects Implemented:

##### Unit-I & II

Improvement of plant power factor from 0.99 lag to unity by installing 3 Nos, 1140 KVAR, H.T. Capacitor banks in Unit I & II.

##### ii) Other energy Conservation measures taken:

##### Unit-I

- a. Replacement of 6 Nos Kiln Shell cooling fans (2.2 KW) with energy efficient FRP fans.
- b. Reduction in energy consumption of plant and colony street lighting by converting 20 Nos 70 Watt HPSV lamps with (2 x 14 Watt) tube lights.
- c. Replacement of 4 Nos motorized bag diverters (0.55 KW) with powerless bag diverters.

##### Unit-II

- a. Reduction in energy consumption of plant lighting by replacement of 2 Nos of 2x 400 Watt, HPSV lamps and 1 No of 400 Watt HPSV lamp with 3 Nos of 150 Watt Metal Halide lamps.
- b. Idle running of 4 Nos of 70 Watt HPSV lamps and 1 No 40 Watt tube light avoided.
- c. Replacement of 10 Nos of 500 Watt halogen lamps with 8 Nos of 150 Watt metal halide lamps.

#### B ADDITIONAL INVESTMENTS AND PROPOSALS, IF ANY, BEING IMPLEMENTED FOR REDUCTION OF CONSUMPTION OF ENERGY.

NIL

#### C. IMPACT OF THE MEASURES AT (A) & (B) ABOVE FOR REDUCTION OF ENERGY CONSUMPTION AND CONSEQUENT IMPACT ON THE COST OF PRODUCTION OF GOODS.

By the efforts mentioned in A(i), saving achieved by getting additional 1% rebate on State Electricity Board's current bills during the period of 11 months (November, 2005 to September, 2006) is Rs.51.12 lacs.

By the efforts mentioned in A(ii) saving achieved in electricity energy is 43,904 units/annum.

### 2 TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION AS PER FORM - A OF THE ANNEXURE TO THE RULES IN RESPECT OF INDUSTRIES SPECIFIED IN THE SCHEDULE.

#### A. POWER AND FUEL CONSUMPTION

	1.10.2005 To 30.9.2006	1.10.2004 To 30.9.2005
1. Electricity		
a. Purchased(Net)		
Unit (in lacs)	1398.85	1347.64
Total amount (Rs.in lacs)	5627.71	5495.02
Rate/Unit (Rs.)	4.02	4.08
b. Own Generation(Net)		
i. Through Diesel Generators		
Units (in lacs)	20.13	21.57
Unit per Ltr. of Diesel Oil	3.64	3.70
Cost/unit (Rs.)	9.91	8.71
ii. Through Steam Turbine/Generator	N.A	N.A.
2. COAL		
(Used for Calcining of Raw Meal)		
Qty. (Tonnes)	283705	268407
Total cost (Rs. in lacs)	7524.55	6824.24
Average Rate (Rs. /MT)	2652.24	2542.50
3. FURNACE OIL	N.A.	N.A.

**B. CONSUMPTION PER UNIT OF PRODUCTION**

Products	Industry	Cement	Cement
Unit	Avg	M.T.	M.T.
Electricity			
i) Unit I	100-120 Kwh	101 Kwh	102 Kwh
ii) Unit II	70-90 Kwh	78 Kwh	80 Kwh
Furnace Oil		N.A.	N.A.
Coal per ton on Cement			
i) Unit I		183 Kg	176 Kg
ii) Unit II		162 Kg	160 Kg

**3. TECHNOLOGY ABSORPTION****1. Research and Development (R&D)**

(a) Specific areas in which R&D carried out by the Company	NIL
(b) Benefit derived as a result of above.	NIL
(c) Future plan of action	NIL
(d) Expenditure on R&D	
(i) Capital	NIL
(ii) Recurring	Rs.10.20 lacs
(iii) Total	Rs.10.20 lacs
(iv) Total R&D Expenditure as a percentage of total turnover	0.02

**2. Technology absorption, adoption and innovation:**

(a) Efforts in brief made towards technology absorption	<p>1. Continuous interaction with Krupp Industries India Ltd., the main plant supplier and others for technical assistance, has helped to achieve optimum benefits of the advancement in technology such as plant optimization, efficient use of energy etc.</p> <p>2. Plant personnel were trained by experts, in-house and outside through Seminars and visits.</p>
(b) Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.	Improved quality and productivity improved throughput and cost reduction, due to thermal and electrical energy savings.
(c) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished :	
(i) Technology imported	: NIL
(ii) Year of import	: N.A.
(iii) Has Technology been fully absorbed	: N.A.
(iv) If not fully absorbed areas : where this has not taken place, reason thereof and future plan of action.	: N.A.

**4. FOREIGN EXCHANGE EARNING AND OUTGO:**

(a) Total foreign exchange earned	Rs. NIL
(b) Total foreign exchange used	Rs. 165.26 lacs

O. P. Gupta	Chairman
K. K. Mudgil	Director
K. C. Jain	Managing Director

New Delhi

The 31st day of October 2006.