



The Nahar Group

22nd
Annual Report
2009 - 2010



Nahar

POLY FILMS LIMITED

BOARD OF DIRECTORS

Sh. Jawahar Lal Oswal

Sh. Dinesh Oswal

Sh. Kamal Oswal

Sh. Dinesh Gogna

Sh. Satish Kumar Sharma

Sh. Amarjeet Singh

Sh. Komal Jain

Dr. (Mrs.) H.K. Bal

Dr. Om Parkash Sahni

Prof. Kanwar Sain Maini

Dr. Suresh Kumar Singla

Dr. Yash Paul Sachdeva

Chairman

Director

Director

Director

Executive Director

Director

Director

Director

Director

Director

Director

Director

REGISTERED OFFICE

376, Industrial Area-A,
Ludhiana-141 003, Punjab

BANKERS

Oriental Bank of Commerce
Bank of Maharashtra

AUDITORS

M/s. Gupta Vigg & Co.,
Chartered Accountants,
101-Kismat Complex,
G.T. Road, Miller Ganj,
LUDHIANA-141 003

22nd ANNUAL GENERAL MEETING

Day : Thursday
Date : 30th September, 2010
Time : 10.30 A.M.
Place : At the Premises of
Nahar Industrial Enterprises
Limited, Focal Point, Ludhiana

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**NOTICE**

Notice is hereby given that the **Twenty Second Annual General Meeting** of the members of **Nahar Poly Films Limited**, will be held on **Thursday the 30th Day of September, 2010 at 10.30 A.M.** at the premises of M/s. Nahar Industrial Enterprises Limited, Focal Point, Ludhiana to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and Profit and Loss account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Sh. Jawahar Lal Oswal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr.(Mrs.) H.K.Bal, who retires by rotation and being eligible, offers herself for re-appointment.
5. To appoint a Director in place of Dr. S.K. Singla, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Sh. Kamal Oswal, who retires by rotation and being eligible, offers himself for re-appointment.
7. To appoint Auditors who shall hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s. Gupta Vigg & Co., Chartered Accountants, the retiring Auditors of the company being eligible, offer themselves for re-appointment.

SPECIAL BUSINESS:

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT in supersession of the resolution passed by the members at their Annual General meeting held on 29th September, 1997, and pursuant to the provisions of section 293(1)(d) and all other applicable provisions, if any, of the Companies Act, 1956 the consent and approval is hereby accorded to the Board of Directors (hereinafter referred to as the 'Board' which expression shall also include a committee thereof) to borrow any sum or sums of money from time to time in rupee currency and/or foreign currency as they may deem necessary or expedient for the purpose of the business of the company, upon such terms and conditions as the Board may in its absolute discretion think fit, notwithstanding that the monies to be borrowed, together with the monies, already bor-

rowed by the company (apart from temporary loans obtained from the company's banker in the ordinary course of business), may exceed the aggregate of the paid up capital of the company and its free reserves i.e. reserves not set apart for any specific purpose, provided that the total amount up to which monies may be borrowed by the Board of Directors shall not exceed the sum of Rs.500 crores (Rs. five hundred crores only)."

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:-

"RESOLVED THAT in supersession of the resolution passed by the members at their Annual General Meeting held on 29th September, 1997, and pursuant to the provisions of section 293(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force), the consent and approval is hereby accorded to the Board of Directors (hereinafter referred to as the 'Board' which expression shall also include a committee thereof) for creation of mortgage and/or charge in addition to the mortgages/charges created/to be created by the company in such form and manner and with such ranking and at such times and on such terms as the board may determine on all or any of the movable or immovable properties of the Company both present and future and/or on the whole or any part of the undertaking(s) of the company together with power to take over the management of the business and concern of the company in certain events for securing the borrowings or financial assistance not exceeding Rs.500 crores (Rs. Five Hundred Crores) by way of loan(s) (in foreign currency and/or rupee currency) and securities comprising fully/partly convertible debentures and/or non convertible debentures with or without detachable warrants and/or with debt instruments, issued /to be issued by the company, from time to time together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, charges and expenses including any increase as a result of devaluation/revaluation/fluctuation in the rates of exchange and all other moneys payable by the company in terms of Loan Agreement(s), Heads of Agreement(s), Debenture Trust Deed(s) or any other document, entered into/to be entered into between the company and the Lender(s)/Agent(s) and Trustee(s) in respect of the said loan/borrowing/financial assistance."



"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors be and is hereby authorised to finalise, settle and execute such documents/deeds/writings/papers/agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages/charges as aforesaid."

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

ITEM NO.8

Under the provisions of section 293(1)(d) of the Companies Act, 1956 consent of the shareholders of the company is required for determining the limits up to which the Board Of Directors of the company may borrow, where the borrowings together with the money already borrowed would exceed the aggregate of the paid up capital and free reserves of the company.

At the Annual General Meeting held on 29th September, 1997, the shareholders had authorised the Board Of Directors under section 293 (1)(d) of the Companies Act, 1956 to borrow money(s) up to Rs.250 crores.

The company has already put up one line of BOPP Film project with a capacity of 30000 tpa at village Sarakiya/Itayakalan Dist. Raizen (M.P) The said project was financed through term loans and internal accruals of the company. For future expansion of its capacity and operations, it may be necessary for the company to borrow money from various banks, Financial Institutions and other sources to fund the said expansion. It is expected that the present borrowing limits may not be sufficient to funds its future requirement of funds for expansion projects.

Accordingly consent of the shareholders is sought under section 293(1)(d) of the Companies Act, 1956 for increasing the limits from Rs. 250 crores to Rs.500 crores up to which the board of directors of the company may borrow.

Your Directors recommend the resolution for your approval.

None of the Directors is in any way, concerned or interested in the said resolution.

ITEM NO.9

Since the borrowing of the company are generally required to be secured by way of mortgage or charge and/or hypothecation and/or pledge and/or assignments and/or Lien on all or any of the movable and/or immovable properties of the company, both present and/or future, it

has been considered necessary to seek the approval of the shareholders under section 293(1)(a) of the Companies Act, 1956 for creating security as mentioned above.

At the Annual General Meeting held on 29th September, 1997, the shareholders had authorized the board of directors under section 293(1)(a) of the Companies Act, 1956 for creation of mortgage and/or charge over the properties of the company to secure borrowings or financial assistance not exceeding Rs.250 crores. Now the consent of the shareholders is sought for authorizing the Board to create mortgage and/or charge and /or hypothecation and/or pledge over the property of the company, both present and future to secure borrowings or financial assistance up to an aggregate amount not exceeding Rs.500 crores.

Your Directors recommend the resolution for your approval.

None of the Directors is in any way, concerned or interested in the said resolution.

BY ORDER OF THE BOARD

PLACE : LUDHIANA
DATED: 28th July, 2010

POOJA MALHOTRA
COMPANY SECRETARY

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/HERSELF AND SUCH PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY EIGHT HOURS BEFORE THE MEETING.
2. The Register of Members and Share Transfer Register of the company shall remain closed from 18th September, 2010 to 30th September, 2010 (both days inclusive).
3. The dividend on equity shares as recommended by the board of directors, if approved at the Annual General Meeting will be paid to the members, whose name appear in the Register of Members as on 30th September, 2010 or Register of Beneficial owners, maintained by the Depositories at the close of 17th September, 2010.
4. Pursuant to the section 205C of the Companies Act, 1956 all unclaimed dividends up to the financial



year 2001-2002 has been transferred to Investor Education and Protection Fund. Further unpaid dividend for the year 2002-2003 is to be transferred to Investor Education and Protection Fund pursuant to section 205C of the Companies Act, 1956 in November, 2010. Shareholders who have not encashed their dividend warrants relating to the said period are requested to claim the amount from the company at the earliest. Further we may also inform that once the amount is deposited with Investor Education and Protection Fund, it cannot be claimed later on as per the Companies (Amendment) Act, 1999.

5. The bank account particulars of the members will be printed on the dividend warrants. Members holding shares in physical form are requested to immediately notify change in their address/Bank details to the Company's Share transfer Agent M/s. Alankit Assignments Limited, Alankit House, 2E/21, Jhandewalan Extension, New Delhi-110055 or to the company at its Registered Office 376-Industrial Area-A, Ludhiana-141003. Members holding shares in electronic form are requested to notify change in their address/Bank details to their Depository Participants before 17th September, 2010.
6. Since the company's shares are in compulsory demat trading, to ensure better service and elimination of risk of holding shares in physical form, we request shareholders holding shares in physical form to dematerialize their shares at the earliest.
7. To avail the facility of nomination, Members are requested to send us duly filled and signed Nomination Form (Form 2B).
8. Members seeking any information with regard to Annual Accounts at the time of meeting are requested to send their queries to the company at least 7 days before the date of meeting so as to enable the management to keep the information ready.
9. Members are requested to bring the copy of Annual Report alongwith them, at the meeting.
10. The information required to be provided under clause 49 of the Listing Agreement entered into with stock exchanges, regarding the Directors who are proposed to be re-appointed are annexed hereto and forms part of the notice.
11. The explanatory Statement pursuant to section 173 (2) of the Companies Act, 1956 in respect of Special Business under item 8 and 9 is annexed hereto and forms part of the notice.

Information pursuant to Corporate Governance Clause of the Listing Agreement regarding Directors seeking appointment/re-appointment:

As required under the listing agreement, the particulars of Directors who are proposed to be appointed/re-appointed are given below:

1. Name	:	Sh. Jawahar Lal Oswal
Age	:	67 Years
Qualification	:	Graduate
Expertise	:	Having more than 48 years experience in Textile and Woollen Industry.

His directorship/membership in the committees of the board in other companies is as under:

Name of the Company	Committee	Status
1. Oswal Woollen Mills Ltd.	-	-
2. Nahar Spinning Mills Ltd.	-	-
3. Nahar Capital And Financial Services Ltd.	-	-
4. Nahar Industrial Enterprises Ltd.	-	-
5. J.L. Growth Fund Ltd.	-	-
6. Atam Vallabh Financiers Ltd.	-	-
7. Girnar Investment Ltd.	-	-
8. Ludhiana Holdings Ltd.	-	-
9. Vanaik Investors Ltd.	-	-
10. Vardhman Investments Ltd.	-	-
11. Palam Motels Ltd.	-	-
12. Sankheshwar Holdings Co. Ltd.	-	-
13. Monte Carlo Fashions Ltd.	-	-
14. Nagdevi Trading & Investment Co. Ltd.	-	-
15. Crown Star Ltd. (U.K.)	-	-
16. Abhilash Growth Fund (P) Ltd.	-	-
17. Nahar Growth Fund (P) Ltd.	-	-
18. Monica Growth Fund (P) Ltd.	-	-
19. Ruchika Growth Fund (P) Ltd.	-	-
20. Neha Credit and Invst. (P) Ltd.	-	-



2. Name : Dr.(Mrs.) H.K. Bal
 Age : 71 Years
 Qualification : Ph.D.
 Expertise : Having more than 30 years of
 Experience in teaching Management
 and Administration.

Her directorship/membership in the committees of the board in other companies is as under:

Name of the Company	Committee	Status
1. Nahar Capital and Financial Services Ltd.	Remuneration	Member
2. Nahar Spinning Mills Ltd.	Shareholders- Grievances. Remuneration	Chair- person Member
3. Nahar Industrial Enterprises Ltd.	Remuneration Audit	Member Member
4. Oswal Woollen Mills Ltd.	Remuneration	Member
5. Shreyanas Industries Ltd.	Remuneration Audit	Member Member
6. IOL Chemicals Pharmaceuticals & Ltd.	Audit Remuneration Shareholders- Grievances	Member Member Chair- person
7. Sportking India Ltd.	Audit Remuneration	Member Member
3. Name : Dr. S.K. Singla		
Age : 60 Years		
Qualification : M.A. (Stats & Eco.) & Ph.D (Stats.)		
Expertise : Having more than 31 years experience of teaching Management and Administration.		

His directorship/membership in the committees of the board in other companies is as under:

Name of the Company	Committee	Status
1. Nahar Capital and Financial Services Ltd.	-	-
2. Nahar Spinning Mills Ltd.	-	-
3. Oswal Woollen Mills Ltd.	Audit Share- holders Grievances	Chairman Member

4. Name : Sh. Kamal Oswal
 Age : 48 Years
 Qualification : Commerce Graduate.
 Expertise : Having Business experience of
 more than 28 years in the industry.

His Directorship/Membership in the committee of the board in other companies is as under:

Name of the company	Committee	Status
1. Nahar Industrial Enterprises Ltd.	Share transfer	Chairman
2. Oswal Woollen Mills Ltd.	-	-
3. Nahar Spinning Mills Ltd.	-	-
4. Nahar Capital And Financial Services Ltd.	-	-
5. Nahar Industrial Infrastructure Corp. Ltd.	-	-
6. Oswal Leasing Ltd.	-	-
7. Vardhman Investments Ltd.	-	-
8. Girnar Investment Ltd.	-	-
9. J.L. Growth Fund Ltd.	-	-
10. Atam Vallabh Financiers Ltd	-	-
11. Nagdevi Trading & Investment Co., Ltd.	Audit	Chairman
12. Sankheshwar Holdings Co. Ltd.	-	-
13. Monte Carlo Fashions Ltd.	-	-
14. Cotton County Retails Ltd.	Remuneration	Member
15. Crown Star Limited (U.K.)	-	-
16. Abhilash Growth Fund (P) Ltd.	-	-
17. Nahar Growth Fund (P) Ltd.	-	-
18. Neha Credit and Invt. (P) Ltd.	-	-

Sh. Kamal Oswal being the son of Sh. Jawahar Lal Oswal is related to him. He is also related to Sh. Dinesh Oswal being his brother.

BY ORDER OF THE BOARD

PLACE : LUDHIANA
 DATED: 28th July, 2010

POOJA MALHOTRA
 COMPANY SECRETARY



DIRECTORS REPORT

To

The Members,

Your directors have pleasure in presenting the **Twenty Second ANNUAL REPORT** on the affairs of the company for the year ended 31st March, 2010.

FINANCIAL RESULTS

Your Company's Financial Performance during the year is summarised below:

(Rs. in Lac)		
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Profit before interest & Depreciation	394.96	464.57
Less: Interest	--	--
Depreciation	--	--
Provision for taxation (Net of Deferred Tax)	50.00	27.22
Profit after tax	344.96	437.35
Adjustment of Income Tax earlier years		(-) 0.11
Add: Balance of Surplus brought Forward	14.02	2.46
Amount available for appropriation	358.98	439.70
APPROPRIATION		
Proposed Dividend	86.06	86.06
Tax on Distributed profits	14.29	14.63
Transfer to General Reserve	250.00	325.00
Balance carried to balance sheet	8.63	14.01
	358.98	439.70

STATUS OF BOPP PROJECT

As the members are aware that company diversified its activities into BI-AXIALLY ORIENTED POLY PROPYLENE FILMS (BOPP) Project at capital outlay of Rs.300 Crores approximately. The company has fully implemented the said project with a capacity of 30000 tpa at village sarakian/Itayakalan Distt. Raisen Madhya Pradesh. The plant is equipped with state of the art manufacturing facilities imported from Bruckner of Germany. We are pleased to inform that the plant has started its operation on 20th May, 2010.

OPERATIONAL REVIEW

We would like to inform you that during the year under review, the management remained busy with the implementation of the BOPP Project and did not undertake any business activity. Accordingly there is nil operating income. However the company has earned an other income of Rs.434.04 Lacs during the year. The said income comprises of dividend income, interest income and sale of investment etc. which is of the temporary nature and does not strictly falls under the segment revenue as such shown under the head 'Other Income'. After providing for all the expenses and tax, company earned a net profit of Rs.344.96 Lacs. After appropriation of profits as per detail hereinabove, an amount of Rs.250.00 Lacs has been transferred to General

Reserve thereby increasing the company's reserve to Rs.129.90 crores as on 31st March, 2010.

DIVIDEND

Your directors are pleased to recommend a dividend @7% (i.e. Rs.0.35 per equity share) on paid up equity share capital for the year ended 31st March, 2010.

The dividend, if approved at the forthcoming Annual General Meeting, will be held out of profits of the company for the year under reference to all those shareholders whose name shall appear in the Register of Members on 30th September, 2010 or Register of beneficial owners, maintained by the depositories as at the close of 17th September, 2010.

DIRECTORS

Pursuant to Article 112 of the Articles of Association of the company Sh. Jawahar Lal Oswal, Dr. (Mrs.) H.K.BAL, Sh. S.K. Singla and Sh. Kamal Oswal, will be retiring by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

In terms of clause 49 of the Listing Agreement with the Stock Exchanges, the details of Directors to be appointed/re-appointed are contained in the accompanying Notice of the forthcoming Annual General Meeting.

LISTING OF SECURITIES

The securities of the company are listed on the following Stock Exchanges:

1. The Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai.
2. The National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No.C/1, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai.

The company has paid listing fee to both the Stock Exchanges for the financial year 2010-2011.

DEMATERIALISATION OF SHARES.

As the members must be aware that company's securities are tradable compulsorily in electronic form w.e.f.8th May 2000. Your company has already established connectivity with both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd (CDSL) to facilitate the holding and trading of securities in electronic form. As on date 91.43% of the share capital has been de-materialized by the members of the company.

Annual custodian fee for the financial year 2009-2010 have also been paid to the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Further as per SEBI circular No. D & CC/FITTC/CIR-15/2002 DATED 27TH December, 2002, company has appointed M/s Alankit Assignments Ltd., as Registrar for Share Transfer and Electronic connectivity. Accordingly all the shareholders, Investors, Members of the Stock Exchanges, Depository Participants and all other concerned are requested to send all communication in respect of share transfer, demat/remat, change of address etc.to our registrar at below mentioned address:

M/s. Alankit Assignments Ltd.
(Unit : Nahar Poly Films Ltd.)



Alankit House,
2E/21, Jhandelwalan Extension
NEW DELHI-110055

Telephone No. : (011)23541234
Fax No. : (011)41540064
E-mail Address : rta@alankit.com

In case any query/complaint remains unresolved with our Registrar please write to Compliance Officer at the registered office of the company.

The shareholder(s) who have not gone in for dematerialization of shares till date, are requested to opt for dematerialization of the shares at the earliest.

AUDIT COMMITTEE

Pursuant to section 292A(1) of the Companies Act, 1956, Company has already constituted Audit Committee consisting of Sh. Amarjeet Singh as Chairman, Sh. Dinesh Gogna and Prof. K.S. Maini as members. The committee held 4 meetings during the year under review.

REPORT ON THE CORPORATE GOVERNANCE

Your company continues to follow the principles of good Corporate Governance. The company has already constituted several committees of directors to assist the board in good Corporate Governance. The Corporate Governance Report along with Auditors Certificate regarding compliance of the conditions of the Corporate Governance as stipulated in clause 49 of the Listing Agreement of the Stock Exchange, is attached herewith as annexure-II and forms part of this report.

DIRECTORS RESPONSIBILITY STATEMENT

The Directors would like to assure the Members that the financial statements for the year under review, conform in their entirety to the requirements of the Companies Act, 1956.

The Directors Confirm:

- i) That in preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanations relating to material departures.
- ii) That they had selected such accounting policies applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- iii) That they had taken proper and sufficient care for maintenance of adequate accounting records in accordance with provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) That they had prepared the Annual Accounts on a going concern basis.

COST AUDITORS

Upon the implementation of scheme as per the order dated 21st December, 2006 passed by the Hon'ble Punjab and Haryana High Court, company's textile business stand demerged and transferred to Nahar Spinning Mills Ltd w.e.f. 1st April, 2006.

Accordingly company has made an application to Ministry of Corporate Affairs, Cost Audit Branch, New Delhi to take note of the above said order and make necessary change in their record.

AUDITORS

M/s. Gupta Vigg & Co., the Auditors of the company shall be retiring at the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. The company has obtained from auditors, a certificate as required under section 224(1-B) of the Companies Act, 1956 to effect that their re-appointment, if made, would be within the limits specified in the said section.

PUBLIC DEPOSITS

During the year, company has neither accepted nor intend to accept any Public Deposit within the meaning of Section 58-A, of the Companies Act, 1956 and the rules made there under. There are no outstanding/unclaimed deposit from the public.

INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to section 205-C of the Companies Act, 1956 the company has transferred an amount of Rs.1133894.33 (Rs. Eleven Lacs Thirty Three Thousand Eight Hundred Ninety Four and Paise Thirty Three) being the amount of unclaimed dividend for the year 2001-2002 to the Investor Education and Protection Fund.

PARTICULARS OF EMPLOYEES

None of the employee is in receipt of emoluments in excess of the limits prescribed under the Companies (Particulars of employees) Rules, 1975.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

Particulars with respect to the Conservation of Energy, Technology Absorption and Foreign Exchange earning and outgo as required under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in Report of the Board of Directors) Rules 1988, is enclosed as per Annexure - I and forms part of this report.

INDUSTRIAL RELATIONS

The Relations remained cordial throughout the year and the excellent results were achieved with the whole hearted co-operation of employees at all levels.

ACKNOWLEDGEMENT

The board of directors of the company wish to place on record their thanks and appreciation to all workers, staff members and executives for their contribution to the operations of the company. The directors also place on record their sincere thanks to the shareholders for their continued support, co-operation and confidence in the management of the company.

FOR AND ON BEHALF OF THE BOARD

PLACE : LUDHIANA
DATED : 28th JULY, 2010

JAWAHAR LAL OSWAL
Chairman



ANNEXURE-I

INFORMATION AS PER SECTION 217(1)(e) 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 ENDED 31ST MARCH, 2010.

I. CONSERVATION OF ENERGY

a) Measures taken for conservation of energy:

The growth of the industry and its rapid industrialisation is putting tremendous pressure on the available energy resources. As such the need of the hour is to conserve energy and maximise output.

Energy conservation is an ongoing process in our organization. During the year, the management of the company remained busy with the implementation of BOPP Project in the State of Madhya Pradesh. During the implementation of the project the company has taken following steps:

1. The factory building has been designed to make use of natural lighting for the day time operation which will save energy.
2. The company has imported state of the art manufacturing facility from Bruckner of Germany. These machines consumes low energy and will save considerably in terms of electricity consumption.
3. All the drives for main equipments of the plant are direct drives without gear boxes which will reduce the power transmission losses.

b) Additional investment & proposal for reduction of consumption of energy

The company will take necessary measures as may be required from time to time for conservation of energy.

c) Impact of measures, consequent to (a) and (b) above

The above measures will result in energy saving and consequent reduction in cost of production.

d) Total energy consumption and energy consumption per unit of production as per Form A of the Annexure in the rules in respect of Industries specified in the schedule thereto

The company did not undertake any business activity during the year under review. The company started its operation on 20th May, 2010 as such the power and fuel figures are Nil during the year.

FORM A

CURRENT YEAR 2009-2010	PREVIOUS YEAR 2008-2009
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A. POWER & FUEL CONSUMPTION

1. Electricity

a) Purchased

Units (Kwh)	Nil	Nil
Total amount (Rs.)	Nil	Nil
Rate per Unit (Rs.)	Nil	Nil

b) Own Generation

Through Diesel Generator		
Units produced (KWH)		
Total amount (Rs.)	Nil	Nil
Cost per unit (Rs.)	Nil	Nil

(c) Own Generation through turbine

Units produced (KWH)	Nil	Nil
Total amount (Rs.)	Nil	Nil
Cost per Unit (Rs.)	Nil	Nil

2. Steam Coal Used in Boiler

Quantity (in Tonnes)	Nil	Nil
Total Cost (Rs.)	Nil	Nil
Cost per unit (Rs.)	Nil	Nil

3. Furnace Oil

Quantity (in liters)	Nil	Nil
Total cost (Rs.)	Nil	Nil
Rate/Tonne (Rs.)	Nil	Nil

4. Other/Internal Generation

Rice Husk (Qty. in tones)	Nil	Nil
Total Cost (Rs.)	Nil	Nil
Rate/Tonne (Rs.)	Nil	Nil

B. CONSUMPTION PER UNIT OF PRODUCTION

1. Electricity	Nil	Nil
2. Furnace Oil	Nil	Nil
3. Coal	Nil	Nil
4. Other	Nil	Nil

II. TECHNOLOGY ABSORPTION

FORM B

A. Research & Development (R & D):

i) Specific areas in which Research and Development carried out by the Company.

The company has set up a Research and Development Department which will focus on productivity, quality and waste reduction.

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

The company expect product improvement in quality and quantity.

iii) Future Plans:

The Company shall continuously take steps for innovation and renovation of products including new product developments.

iv) Expenditure on R & D:

a) Capital (Rs.)	Nil
b) Recurring (Rs.)	Nil
c) Total (Rs.)	Nil

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

The company has imported the latest ultra modern machinery from Bruckner of Germany. It is expected that with the latest technology, company will be able to produce quality products at lowest cost of production.

Benefits derived as result of above efforts:

With the above measures, company shall enjoy the benefit of improved quality, productivity & saving in manufacturing costs.

Information regarding Technology imported during the last five years :

NIL

III FOREIGN EXCHANGE EARNINGS AND OUTGO

(I) Activities relating to Exports, initiative taken to increase exports, Development of New Export Markets for products and export plans

Since the company is in the process of implementing the BOPP Project. It will take effective steps to explore the export markets so that it can export its products.

	Current Year	Previous Year
(II) Total Foreign Exchange used and earned :-		
a) Foreign Exchange outgo (Rs.)	138289892.00	Nil
b) Foreign Exchange earned (Rs.)	Nil	Nil

FOR AND ON BEHALF OF THE BOARD

PLACE : LUDHIANA
DATED : 28th JULY, 2010

JAWAHAR LAL OSWAL
(Chairman)