MARK OF INTEGRITY

NAHAR GROUP OF COMPANIES

The Nahar Group



30th Annual Report

2009 - 2010



Nahar SPINNING MILLS LIMITED

BOARD OF DIRECTORS

Sh. Jawahar Lal Oswal	**Chairman**
Sh. Dinesh Oswal	Managing Director
Sh. Kamal Oswal	Director
Sh. Dinesh Gogna	Director
Dr. (Mrs.) H.K. Bal	Director
Sh. Amarjeet Singh	Director
Dr. Om Parkash Sahni	Director
Prof. Kanwar Sain Maini	Director
Sh. Satish Kumar Sharma	Director
Dr. Suresh Kumar Singla	Director

FINANCE CONTROLLERS

Sh. Anil Garg & Sh. P. K. Vashishth

COMPANY SECRETARY

Sh. Brij Sharma

AUDITORS

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

PRINCIPAL BANKERS	:	Punjab National Bank, State Bank of India
REGD. OFFICE	:	373, Industrial Area- 'A', Ludhiana-141 003
WORKS	:	427, Industrial Area - 'A', Ludhiana (Punjab)
		Dhandari Kalan, G.T. Road, Ludhiana (Punjab)
		Village Simrai, Mandideep, Distt. Raisen (M.P.)
		Village Lalru and Lehli, Distt. S.A.S. Nagar (Punjab)
		Village Jalalpur, Distt. S.A.S. Nagar (Punjab)
		Rishab Spinning Mills, Village Jodhan, Distt. Ludhiana
		Nahar Fibres, Jitwal Kalan, Malerkotla, Distt. Sangrur

30th ANNUAL GENERAL MEETING

Day	:	Thursday
Date	:	30th September, 2010
Time	:	10.00 A.M.
Place	:	At the Premises of Nahar Industrial Enterprises Limited, Focal Point, Ludhiana

CONTENTS

	PAGE NO.
NOTICE	1
DIRECTOR'S REPORT	3
CORPORATE GOVERNANCE REPORT	10
AUDITOR'S REPORT	19
BALANCE SHEET	22
PROFIT & LOSS ACCOUNT	23
NOTES ON ACCOUNTS	32
CASH FLOW STATEMENT	41
BALANCE SHEET ABSTRACT	42

NOTICE

Notice is hereby given that the **Thirtieth Annual General Meeting** of the members of **NAHAR SPINNING MILLS LIMITED** will be held on **Thursday the 30th day of September, 2010 at 10.00 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 the 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 Dr. O.P. Sahni, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Prof. K.S. Maini, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Dr.(Mrs.) H.K. Bal, who retires by rotation and being eligible, offers herself 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.

BY ORDER OF THE BOARD

PLACE : LUDHIANA
DATED: 28th July, 2010

BRIJ SHARMA
(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 BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY EIGHT HOURS BEFORE THE TIME OF THE MEETING. THE BLANK PROXY FORM IS BEING ENCLOSED.
2. The Register of Members and Share Transfer Register of the Company shall remain closed from 18.09.2010 to 30.09.2010 (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 names appear in the Register of members as on 30th Sept., 2010 or Register of beneficial owners, maintained by the Depositories at the close of 17th Sept., 2010.
4. Pursuant to Section 205C of the Companies Act, 1956 all unclaimed dividends upto the financial year 2001-2002 have 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 Central Government, 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 or to the Company's Registered Office at 373, Industrial Area-A, Ludhiana - 141 003.

   Members holding shares in electronic form are requested to notify change in their address/Bank details to their Depository Participants before 17th Sept., 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 dematerialise 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 relevant 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 the Stock Exchanges, regarding the Directors who are proposed to be appointed/re-appointed is given hereunder and forms part of the notice.

Information pursuant to Corporate Governance Clause of the Listing Agreement regarding Director 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:

I. Name : Dr. O.P. Sahni
Age : 69 years
Qualification : Ph.D
Expertise : Having more than 30 years experience in teaching Management and Administration.

Directorships/membership in the committee of the Board in other Companies:

	Name of the Company	Committee	Status
1.	Midland International Ltd.	–	--
2.	Nahar Poly Films Limited	–	--
3.	Nahar Capital and Financial Services Ltd.	Shareholders Grievances	Member
4.	Nahar Industrial Enterprises Ltd.	Shareholders Grievances	Member
		Remuneration	Member
		Audit	Chairman
5.	Oswal Woollen Mills Limited	Audit	Member
		Shareholders Grievances	Member
		Remuneration	Member

II. Name : Prof. K.S. Maini
Age : 70 years
Qualification : Post-graduate in Commerce
Expertise : Having more than 31 years experience in teaching Commerce, Management and Administration.

Directorships/membership in the committee of the Board in other Companies:

	Name of the company	Committee	Status
1.	Nahar Capital and Financial Services Ltd.	Audit	Chairman
		Remuneration	Chairman
2.	Nahar Poly Films Limited	Audit	Member
3.	Nahar Industrial Enterprises Ltd.	Shareholders Grievance	Member
		Remuneration	Chairman
4.	Oswal Woollen Mills Ltd.	Audit	Member

III. 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.

Directorships/membership in the committee of the Board in other Companies:

	Name of the company	Committee	Status
1.	Shreyans Industries Ltd.	Audit	Member
		Remuneration	Member
2.	Nahar Poly Films Limited	Shareholders Grievance	Chairperson
		Remuneration	Member
3.	Nahar Industrial Enterprises Ltd.	Audit	Member
		Remuneration	Member
4.	IOL Chem & Pharmaceuticals Ltd.	Audit	Member
		Shareholders Grievance	Chairperson
		Remuneration	Member
5.	Nahar Capital and Financial Services Ltd.	Remuneration	Member
6.	Oswal Woollen Mills Limited	Remuneration	Member
7.	Sportking India Ltd.	Audit	Member
		Remuneration	Member

IV. Name : Sh. Kamal Oswal
Age : 48 years
Qualification : Commerce Graduate
Expertise : Having business experience of more than 28 years in the Industry.

Directorships/membership in the committee of the Board in other Companies:

	Name of the company	Committee	Status
1.	Nahar Capital and Financial Services Ltd.	--	--
2.	Nahar Poly Films Limited	--	--
3.	Nahar Indl. Infrastructure Corpn. Ltd.	--	--
4.	Oswal Woollen Mills Limited	--	--
5.	Oswal Leasing Ltd.	--	--
6.	Sankeshwar Holding Co. Ltd.	--	--
7.	Vardhman Investment Ltd.	--	--
8.	Girnar Investment Ltd.	--	--
9.	Atam Vallabh Financiers Ltd.	--	--
10.	J.L. Growth Fund Ltd.	--	--
11.	Abhilash Growth Fund Pvt. Ltd.	--	--
12.	Neha Credit & Invest. Pvt. Ltd.	--	--
13.	Monte Carlo Fashion Ltd.	--	--
14.	Nahar Growth Fund Pvt. Ltd.	--	--
15.	Nagdevi Trdg.& Invest. Co. Ltd.	Audit	Chairman
16.	Nahar Industrial Enterprises Ltd.	--	--
17.	Crown Star Ltd. (UK)	--	--
18.	Cotton County Retail Ltd.	Remuneration	Member

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

BRIJ SHARMA
(Company Secretary)

Directors Report

Dear Members,

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

FINANCIAL PERFORMANCE

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

(Rs. In lacs)

Particulars		Current Year		Previous Year
PROFIT FOR THE YEAR BEFORE TAX & DEPRECIATION		**15046.62**		5103.64
Less: Depreciation	**6986.11**		7611.30	
Provision for Taxation	**1685.00**		40.00	
Provision for Deferred Tax	**1016.50**	**9687.61**	(826.00)	6825.30
Profit/Loss after tax		**5359.01**		-1721.66
Adjustment of Income Tax of Earlier years		**- 9.79**		58.59
Amount available for appropriation		**5349.22**		- 1663.07
Transfer from General Reserve		**—**		2797.67
		5349.22		1134.60
APPROPRIATION				
Proposed Dividend		**540.98**		180.33
Tax on Distributed profits		**89.85**		30.65
Transfer to General Reserve		**4569.12**		—
Foreign Exchange contingent liability Reserve		**149.27**		923.62
		5349.22		1134.60

PERFORMANCE REVIEW

We would like to inform you that as per the disclosure requirements of Accounting Standard AS17 issued by the Institute of Chartered Accountants of India, company's activities can be classified under two segments namely "Yarn Segment" and "Garment Segment". Before reviewing overall performance of the company we would like to brief you regarding the working performance of each Segment which is as under:-

YARN SEGMENT

During the year under review, Yarn Segment performed reasonably well. The recovery in the U.S., Europe and Asian economies enabled the Segment to achieve a revenue of Rs.988.35 crores showing an increase of 10.56% over the previous year. The export at Rs. 584.97 crores has also shown an impressive increase of 11.31% over previous year. The financial performance too, improved significantly and it earned a profit before interest and tax of Rs.95.88 crores as against 5.5 crores, showing an impressive increase of 1627.57% over the previous year.

Having regard to the good prospects for the Yarn Industry, your Management has decided to expand its spindlage capacity by installing 90000 spindles at a capital outlay of Rs.350 crores (approx.). The said expansion is to be financed through Term Loan from the Banks under the TUFF Scheme and the Internal accruals of the company. The Civil construction work has already started and the orders for the machineries have also been placed. The said expansion is likely to be completed by July, 2011. On its completion, the company's spindlage capacity will stand increased to 4.36 lacs spindles.

GARMENT SEGMENT

We are pleased to inform you that Garment Segment too, improved its performance during the year under

review. The recovery in the U.S. and European Economies enabled the segment to achieve a revenue of Rs.191.20 crores showing an impressive increase of 18.92% over previous year. Likewise the exports at Rs.146.20 crores has also shown an impressive increase of 20.95%. The Company has been awarded Golden Trophy by the Apparel Export Promotion Council for achieving highest Export of Cotton Garments for the year 2007-2008. It also improved its financial performance and earned a profit before interest and tax of Rs.22.44 crores, showing an impressive increase of 173.87% over the previous year.

OVERALL PERFORMANCE

From the above, it is apparent that company's performance has been excellent on all parameters. The company's net operating income at Rs.1110.47 crores has shown an increase of 11% over the previous year. Likewise the exports at Rs.731.17 crores has also shown an impressive increase of Rs.11.69%. The company's continued excellent export performance has been recognised by the Ministry of Commerce and Industry by conferring the status of STAR TRADING HOUSE and Gold Trophy by The Cotton Textiles Export Promotion Council (TEXTROCIL) for Highest Exports of Cotton Yarn (Counts 50s and below) for the year 2008-2009 respectively.

On profitability front too, the company substantially improved its performance and earned a pre-tax profit of Rs.80.61 crores as against a loss of 25.08 crores in the previous year. After providing for Income tax and deferred tax, the company earned a net profit of Rs.53.49 crores as against loss of 16.63 crores in the previous year. After appropriation of profits as per detail hereinabove, an amount of Rs.45.69 crores has been transferred to General Reserve thereby increasing Company's Reserves to Rs.536.57 crores as on 31st March, 2010.

DIVIDEND

Your Directors are pleased to recommend a dividend @30% (i.e. Rs.1.50 per equity share of Rs.5/- each) 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 paid out of the profits of the company for the year under reference to all those shareholders whose names 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 91 of the Articles of Association of the company Dr. O.P. Sahni, Prof. K.S. Maini, Dr.(Mrs.) H.K. Bal 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.

CREDIT RATING

The Credit Rating Information Services of India Ltd. (CRISIL) has re-confirmed the credit rating "P1+" (Pronounced "P one plus") to the Company for short term loan upto Rs.23.50 Crores. This indicate that the degree of safety with regard to timely payment of interest and principal on the instrument is very strong.

LISTING OF SECURITIES

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

i. The Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai.

ii. 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 SECURITIES

As the members must be aware that company's securities are tradable compulsorily in electronic form w.e.f. 21st March, 2000. Your Company has already

established connectivity with both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository services (India) Limited (CDSL) to facilitate the holding and trading of securities in electronic form. As on date 94% of the share capital of the company has been dematerialised. The shareholders who have not gone in for dematerialisation of shares till date, are requested to opt for dematerialisation of the shares at the earliest.

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 Limited
(Unit: Nahar Spinning Mills Limited)
Alankit House
2E/21, Jhandewalan Extension
New Delhi - 110 055
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 Company Secretary at the Registered Office of the Company.

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 Dr. O.P. Sahni as members. The committee held four meeting 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 alongwith the 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-III.

ENVIRONMENT FRIENDLY CORPORATE ENTITY

As a responsible corporate entity, your company is sensitive to environment also and is contributing a bit to improve the ecological balance by introducing Organic Cotton yarns & Fair Trade Cotton Yarns certified by Control Union Certificate of Netherlands & F.L.O. of Germany. The company is Registered with Clean Development Mechanism (CDM) Executives Board and United Nations Framework Conventions on climate change (UNFCCC) Secretariat, Bonn, Germany.

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 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 at the end of the financial year and of the profit or loss of the company for that period;

iii) that they had taken proper and sufficient care for the 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

The Company appointed M/s Ramanath Iyer & Co., Cost Accountants, New Delhi as Cost Auditors for the year 2009-2010. The Government of India, Ministry of Corporate Affairs, Cost Audit Branch, New Delhi have approved their appointment. The Cost Audit Report of the year ended 31st March, 2010 would be submitted to the Ministry of Corporate Affairs, Cost Audit Branch, in accordance with the requirements of Law.

AUDITORS

M/s Gupta Vigg & Co., the Auditors of your 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 the effect that their reappointment, if made, would be within the limits specified in the said section.

The Audit Committee has recommended their re-appointment.

PUBLIC DEPOSITS

During the year the 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.9,64,886.74 (Rupees Nine lacs sixty four thousand eight hundred eighty six and paise seventy four only) being the amount of unclaimed Dividend for the year 2001-2002 to the Investor Education and Protection Fund.

PARTICULARS OF EMPLOYEES

Information regarding employees in accordance with Section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rules 1975 is given in Annexure - I and forms part of this report.

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

The detailed information 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-II and forms part of this report.

INDUSTRIAL RELATIONS

The industrial 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 are thankful to the Bankers, Financial Institutions for their continued support to 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 **JAWAHAR LAL OSWAL**

DATED: 28th July, 2010 **(Chairman)**

ANNEXURE-I

PARTICULARS OF EMPLOYEES AS PER THE PROVISIONS OF 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 31ST MARCH, 2009

Sr. No.	Name	Desi-gnation	Nature of duties	Remuneration (Amt.in Lacs)	Nature of Employment	Qualif-ication	Experience in years	Date of Employ-ment	Age (Years)	Last Employment held	%age of Equity Capital held
1.	Sh. Dinesh Oswal	Managing Director	Overall company's administration	180.10	Contractual	B.Com	25	01.01.1987	45	Oswal Woollen Mills Ltd.	0.066%

NOTES:

1. Remuneration includes salary, ex-gratia, leave encashment, monetary value of perquisites as per Income Tax Rules, employers contribution to provident fund and commission, where applicable.
2. Sh. Dinesh Oswal, is related to Sh. Jawahar Lal Oswal, Chairman and Sh. Kamal Oswal, Director of the Company.

ANNEXURE-II

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

Energy conservation is an ongoing process in our organization. The company carries out continuous monitoring, planning, development and modification in our all units to converse energy. The company always select latest machinery and equipment having low energy consumption. The company has taken following measures for energy conservation :

i) The company installed slub yarn system on ring frame machine which is giving extra value in yarn, improving the profitability of yarn without extra process which inturn reduce the power consumption.

ii) The company is using taper mixing system in place of traditional lot mixing system which gives better quality of Raw Cotton mixing as well as for removing the lotwise change system in Ring Frame Section. This reduce the depute man power in Ring frame section.

iii) The company has replaced old 3 nos LC300 cards from New Technology LC333 cards for improving the energy efficiency and production as well as power saving.

iv) The company doubled the suction pipe in Savio Autoconer blowers for better cleaning efficiency.

v) The company Removed the unnecessary bend in water flow Pipe line of cooling tower for reducing the resistance in water flow thus improved the efficiency of cooling tower and saved energy.

vi) The company using the energy efficiency spindle oil in Ring Frame machines, resulted in saving of Power consumption.

vii) The company replaced ordinary chocks with electronics ballast for improving energy efficiency which resulted in saving power.

viii) The company replaced the capacitor bank which have 15% reduction in its capacity for improving the power factor which results decrease the losses of power cables.

ix) The company minimized the lighting load by replacing with electronic ballast with single tube light of high luminance which saved energy consumption.

x) The company replaced incandescent lamps with capacitive sodium vapour and LED lamps which reduces energy consumption.

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

Energy conservation is an ongoing process in our company. It will continue to make additional investment as per our requirement for reducing the consumption of energy.

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

With the measures adopted by the company, there is substantial saving in energy consumption there by reduction in cost of production.

FORM A

		CURRENT YEAR 2009-2010	PREVIOUS YEAR 2008-2009
A.	**POWER & FUEL CONSUMPTION**		
1.	Electricity		
a)	Purchased		
	Units (Kwh)	223785034.00	241043542.00
	Total amount (Rs.)	989392259.50	1006399741.60
	Rate per Unit (Rs.)	4.42	4.18
b)	Own Generation		
	Through Diesel Generator		
	Units produced (KWH)	25083427.00	10279508.00
	Total amount (Rs.)	160407161.42	72147367.74
	Cost per unit (Rs.)	6.39	7.02
c)	Own Generation through turbine		
	Units produced (KWH)	41936530.00	31198310.00
	Total amount (Rs.)	132067370.00	111091791.00
	Cost per Unit (Rs.)	3.15	3.56
2.	Steam Coal	Used in Boiler	Used in Boiler
	Quantity (in Tonnes)	6003.97	12735.06
	Total Cost (Rs.)	17943647.12	45642340.00
	Cost per unit (Rs.)	2988.63	3583.99
3.	Furnace Oil		
	Quantity (in litres)	5082463.00	2149960.00
	Total cost (Rs.)	124498062.55	50856936.00
	Rate/Tonne (Rs.)	24495.62	23654.83
4.	Other/Internal Generation		
	Rice Husk (Qty. in tones)	53489.96	28973.71
	Total Cost (Rs.)	164171043.15	101522583.00
	Rate/Tonne (Rs.)	3069.19	3503.96
B.	**CONSUMPTION PER UNIT OF PRODUCTION**		
	GARMENT UNIT		
1.	Rice husk used per Kg. of dyed cloth/Yarn	5.73	5.68
2.	Electricity consumed per unit of Hosiery Garments Manufactured (From Fabric to Garment)	0.71	0.80
	SPINNING UNIT (ALL)		
	Product Cotton/Synthetic Yarn	64024386.03	64689225.71
	Electricity (Unit/Kg.)	4.59	4.25
	Rice husk used per Kg. of Yarn	1.38	0.26
	MERCERISING CUM DYEING UNIT (LALRU)		
1.	Electricity consumed per unit of Yarn/Cloth (Unit/Kg.)	3.19	3.68
2.	Rice husk used per Kg. of Yarn/Cloth	2.49	0.60
3.	Furnace Oil used per Kg. of Yarn (Ltr/Kg.)	0.39	0.02

II. TECHNOLOGY ABSORPTION

FORM B

A) Research & Development (R & D):

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

The R&D efforts in the company are focused not only on productivity, quality improvement with waste reduction but also developing value added products like Multi Slub Yarn, Multi Count with Multi Slub Yarn and Multi Twist Yarn, 100% Organic cotton & Organic cotton blends, mélange yarn in different shades & blends for International & Domestic markets.

The company has the latest on line & off line testing and monitoring equipments from world renowned manufacturers to maintain the product consistency of raw material as well as finished products.

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

The company has improved its product value and reduction in production cost. It has expanded its market to value added market segments.

iii) Future Plans:

The Company is committed to continue the Upgradation of its R & D facilities which will strive to develop new products, keeping in view the future market requirements and will thus improve its competitiveness.

iv) Expenditure on R & D:

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