



The Nahar Group



**33Rd Annual
Report
2012-2013**



Nahar

SPINNING MILLS LIMITED

BOARD OF DIRECTORS

Sh. Jawahar Lal Oswal

Sh. Dinesh Oswal
Sh. Kamal Oswal
Sh. Dinesh Gogna
Dr. (Mrs.) H.K. Bal
Prof. Kanwar Sain Maini
Sh. Satish Kumar Sharma
Dr. Suresh Kumar Singla
Dr. Amrik Singh Sohi
Dr. Yash Paul Sachdeva

Chairman

Managing Director
Director
Director
Director
Director
Director
Director
Director
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

REGD. OFFICE

WORKS

: Punjab National Bank, State Bank of India
: 373, Industrial Area- 'A', Ludhiana-141 003
: 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

33rd ANNUAL GENERAL MEETING

Day : Monday
Date : 30th September, 2013
Time : 10.00 A.M.
Place : At the Premises of
Nahar Industrial Enterprises
Limited, Focal Point, Ludhiana

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Save Tree Save Earth

Green Initiative

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies. Your Company has decided to join the MCA in its environmental friendly initiative.

Henceforth, the Company proposes to send documents such as Notice of the General Meetings, Annual Report and other communication to its shareholders via electronic mode to the registered e-mail addresses of shareholders. To support this green initiative of the Government in full measure, shareholders are requested to register/update their latest e-mail addresses with their Depository Participant (D.P.) with whom they are having Demat A/c or send the same to the Company via e-mail at: -secnsm@owmnahar.com or gredressalnsml@owmnahar.com.

We solicit your valuable co-operation and support in our endeavor to contribute our bit to the environment.



NOTICE

Notice is hereby given that the **Thirty Third Annual General Meeting** of the members of **NAHAR SPINNING MILLS LIMITED** will be held on **Monday, the 30th day of September, 2013 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, 2013 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and Independent Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Sh. Kamal Oswal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Sh. Amrik Singh Sohi, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Dr. Yash Paul Sachdeva, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Sh. S.K. Singla, 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 : 30th July, 2013

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 ENCLOSED.
2. The Register of Members and Share Transfer Register of the Company shall remain closed from 21.09.2013 to 30.09.2013 (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 September, 2013 or Register of beneficial owners, maintained by the Depositories at the close of 20th September, 2013.
4. Pursuant to Section 205C of the Companies Act, 1956 all unclaimed dividends upto the financial year 2004-2005 have been transferred to Investor Education and Protection Fund. Further unpaid dividend for the year 2005-2006 is to be transferred to Investor Education and Protection Fund pursuant to section 205C of the Companies Act, 1956 in November, 2013. 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 20.09.2013.
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 relevant information ready.

9. Members are requested to bring the copy of Annual Report along with 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 form 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	: Sh. Kamal Oswal
Age	: 51 years
Qualification	: Commerce Graduate
Expertise	: Having business experience of more than 31 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 Fin. Ser. Ltd.	--	--
2. Nahar Poly Films Limited	--	--
3. Nahar Indl. Infrastructure Corpn. Ltd.	--	--
4. Oswal Woollen Mills Ltd.	--	--
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 Fashions Ltd.	--	--
14. Nahar Growth Fund Pvt. Ltd.	--	--
15. Nagdevi Trdg. & Invest. Co. Ltd.	Audit	Chairman
16. Nahar Industrial Enterprises Ltd.	--	--
17. Cotton Country Retail Ltd.	Remuneration	Member
18. Crown Star Ltd. (UK)	--	--

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

II. Name	: Dr. Amrik Singh Sohi
Age	: 66 years
Qualification	: M.Sc. Ph.D
Expertise	: Having more than 36 years experience in teaching and Entomology Research.

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

Name of the Company	Committee	Status
1. Nahar Poly Films Ltd.	Shareholder Grievances	Member
2. Nahar Capital and Financial Services Limited	Shareholder Grievances	Chairman
3. Nahar Industrial Enterprises Limited	-	-

III. Name	: Dr. Y.P. Sachdeva
Age	: 51 years
Qualification	: MBA, Ph.D
Expertise	: Having more than 31 years experience in teaching Business Management and Administration.

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

Name of the Company	Committee	Status
1. Nahar Capital and Fin. Ser. Ltd.	--	--
2. Nahar Poly Films Ltd.	--	--
3. Nahar Industrial Enterprises Ltd.	Shareholders Grievances Remuneration	Member
4. Cotton County Retail Ltd.	Audit	Member
5. Oswal Spg. & Weaving Mills Ltd.	Remuneration	Member

IV. Name	: Dr. Suresh Kumar Singla
Age	: 64 years
Qualification	: M.A. (Stats.&Eco.) & Ph.D(Stats.)
Expertise	: Having more than 32 years experience in Teaching Business Management and Administration.

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

Name of the Company	Committee	Status
1. Metro Tyres Ltd.	Audit	Member
2. Nahar Poly Films Ltd.	Audit Remuneration	Chairman
3. Oswal Woollen Mills Ltd.	Audit Shareholders Grievance Remuneration	Chairman Member
4. Nahar Cap. & Fin. Ser. Ltd.	Shareholders Grievance Audit	Member Member

BY ORDER OF THE BOARD

**PLACE: LUDHIANA
DATED: 30th July, 2013**

**BRIJ SHARMA
(COMPANY SECRETARY)**



DIRECTORS REPORT

Dear Members,

Your Directors have pleasure in presenting the **THIRTY THIRD ANNUAL REPORT** on the affairs of the company for the year ended 31st March, 2013.

FINANCIAL PERFORMANCE

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

(Rs. In crores)		
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Profit for the year before TAX & DEPRECIATION	221.60	(173.45)
Less: Depreciation	87.55	-
Provision for Taxation	9.96	0.06
Provision for Deferred Tax	45.70	56.09
	143.21	(56.15)
Profit/Loss after tax	78.39	(117.36)
Adjustment of Income Tax of Earlier years	0.53	-0.16
Amount available for appropriation	77.86	(117.20)
APPROPRIATION		
Proposed Dividend	3.61	-
Tax on Distributed profits	0.61	-
Transfer to General Reserve	73.64	-
	77.86	(117.20)

PERFORMANCE REVIEW

We would like to inform you 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

We are pleased to inform you that Company's expansion cum modernization plans of 60,000 spindlage are progressing as per schedule. The company expects to fully implement the said plans by July, 2014. On completion of the said expansion the company's spindlage capacity will increase to five lakhs spindlages.

Yarn Segment performed exceedingly well during the year under review. The recovery in the U.S., Europe and Asian economies coupled with higher export realization enabled the Segment to achieve net revenue of Rs.1711.04 lakhs showing an increase of 13.94% over the previous year. The financial performance too, improved significantly and it earned a profit before interest and tax of Rs. 207.79 crores as against loss of Rs. 86.26 Crores.

GARMENT SEGMENT

We are glad 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 net revenue of Rs. 245.34 crores showing an impressive increase of 29.28% over previous year. It also improved its financial performance and earned a profit before interest and tax of Rs.24.74 crores showing an impressive increase of 45.88% 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 revenue from operations Rs.1961.28 crores has shown an increase of 15.63% over the previous year. Likewise the export at Rs.1299.76 crores has also shown an impressive increase of 15.78%. Because of its excellent export performance, your company has been awarded Gold Trophy for achieving Highest Exports of yarn (50s & Below) by The Cotton Textile Export Promotion Council (TEXPROCIL). The company has also been awarded Bronze Trophy for achieving Third Highest Export of Processed Yarn by (TEXPROCIL).

On profitability front, company substantially improved its performance and earned a profit before tax and depreciation of Rs. 221.60 crores as against loss of Rs.173.45 crores in the previous year. After providing depreciation of Rs. 87.55 crores and provision for taxation/deferred taxation of Rs. 55.66 crores the company earned a net profit of Rs.78.39 crores. After adjustment of income tax of Rs. 0.53 crores (earlier year) the amount available for appropriations comes to Rs. 77.86 crores. After appropriations of profits as per detail hereinabove, an amount of Rs.73.64 crores has been transferred to General Reserve thereby increasing Company's Reserves to Rs.379.62 crores as on 31st March, 2013.

DIVIDEND

Your Directors are pleased to recommend a dividend @20% (i.e. Rs.1.00 per equity share of Rs.5/- each) on paid up equity share capital for the year ended 31st March, 2013.

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, 2013 or Register of beneficial owners, maintained by the Depositories as at the close of 20th September, 2013.

DIRECTORS

Dr. Om Prakash Sahni who was an independent Director, left for heaven abode on 24.10.2012. The board pray to the Almighty to give peace and solace to the departed soul.

Pursuant to article 91 of the Articles of Association of the company Sh. Kamal Oswal, Dr. Amrik Singh Sohi, Dr. Yash Paul Sachdeva and Dr. Suresh Kumar Singla 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 'A1'. The said rating indicates very strong degree of safety regarding timely payment of financial obligation. Such instruments carry lowest credit risk.

GREEN INITIATIVE

The Ministry of Corporate Affairs(MCA) vide Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011 has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies. Your Company has decided to join the MCA as in its environmental friendly initiative.

Accordingly, henceforth company propose to send documents such as notices of the General Meetings, Annual Report and other communication to its shareholders via electronic mode to the registered e-mail addresses of shareholders. To support this green initiative of the Government in full measure, shareholders are requested to register/update their latest e-mail addresses with their Depository Participant (D.P.) with whom they are having Demat A/c. or send the same to the Company via e-mail at:- secnsm@owmnahar.com or gredressalnsml@owmnahar.com. We solicit your valuable co-operation and support in our endeavor to contribute our bit to the environment.

LISTING OF SECURITIES

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

- i. The Bombay Stock Exchange Ltd., 25th Floor 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 2013-2014.

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 94.79% 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 communications 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, the company had already constituted Audit Committee consisting of Sh. K.S. Maini as Chairman, Sh. Dinesh Gogna and Dr. O.P. Sahni as members. Because of the sad demise of Dr. O.P. Sahni on 24.10.2012, Sh. S.K. Singla was appointed as Member of Audit Committee. 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 had 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-II.

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 2012-2013. The Government of India, Ministry of Corporate Affairs, Cost Audit Branch, New Delhi have approved their appointment. The Cost Audit Report for yarn as well as garments, for the year ended 31st March, 2013 would be submitted to the Ministry of Corporate Affairs, Cost Audit Branch, in accordance with the requirements of Law.

The Ministry of Corporate Affairs issued a Notification dated 3rd June, 2011 whereby company's activities relating to garment business have also comes under the preview of Companies (Cost Accounting Records) Rules, 2011. Accordingly the company is required to file Cost audit report with the Ministry of Corporate Affairs, New Delhi in respect of garments too.

AUDITORS & INDEPENDENT AUDITOR'S REPORT

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 reappointment. 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.

The observations and comments given by Auditors in their independent auditor's report read together with

notes to Accounts are self explanatory and hence do not call for any further comments under Section 217 of the Companies Act, 1956.

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 205C of the Companies Act, 1956 the company has transferred an amount of Rs.12,99,335/- (Rupees Twelve lacs ninety nine thousand three hundred thirty five only) being the amount of unclaimed Dividend for the year 2004-2005 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 section 217(2A) the Companies (particulars of employees) Rules 1975.

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-I and forms part of this report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review as stipulated under Clause 49 of the listing agreement with the Stock Exchanges in India is enclosed as per Annexure III 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 and 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
DATED: 30th July, 2013

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, 2013.

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 by selecting the latest machinery and equipments which are more energy efficient. The company has taken following measures for energy conservation:

- i) The company has installed VFD (Variable Frequency) Drive on speed frames which enables the company to reduce the power consumption.
- ii) 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.
- iii) Remove unnecessary bend in water flow Pipe line of cooling tower for reducing the resistance in water flow so improve the efficiency of cooling tower.
- iv) Company is using energy efficiency spindle oil in Ring Frame machines, which resulted in saving of Power consumption.
- v) 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.
- vi) Replacement of 30 Nos. 250 Watt Sodium Lamps with 90 Watt CFL Lamps.
- vii) By installing 200 Liters per day capacity Solar Water Heater for the Yarn Conditioning Machines for saving the Energy.
- viii) Replacement of 300 Nos. ordinary Chokes with the Electronic Chokes.
- ix) Minimized the lighting load by replacement with electronic ballast with single tube light of high luminance.
- x) By installing overhead blowers at Ring Frames machines and A/c machines are parked at both ends for 1 minute for saving the Energy.
- xi) Replacement of incandescent lamps with capacitive sodium vapour and LED lamps.
- xii) Redesigning and modification of Air Handling unit.
- xiii) In Speed Frame 4 KW Suction motors has been replaced by electronic stop motion for roving breakage.
- xiv) 14 Cards of "C1/3" replaced with 12 Cards of "LC100" from Unit-2

xv) 4 Combers of "LK64" are running with advanced technology.

xvi) 2 "DO/6" machines are replaced with 1 "Id-2" from LMW.

xvii) 2 Old Autoconers of "MURATEC" are replaced with "SAVIO ESPERO-L"

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

- i) Installation of VFD Compressor for compressed air.
- ii) Installation of Automatic voltage control stabilizer for lighting system.
- iii) Modification is done for Yarn conditioning Machine's trolleys, which in turn results in increased production/doff.

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.

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

PARTICULARS	FORM A	
	CURRENT YEAR 2012-2013	PREVIOUS YEAR 2011-2012
A. POWER & FUEL CONSUMPTION		
1. Electricity		
(a) Purchased		
Units (Kwh)	358284304.00	309791409.00
Total amount (Rs.)	2135593997.92	1609991024.12
Rate per Unit (Rs.)	5.96	5.20
(b) Own Generation Through Diesel Generator		
Units produced (KWH)	2539124.00	1326577.00
Total amount (Rs.)	28606989.04	12234677.60
Cost per unit (Rs.)	11.27	9.22
(c) Own Generation through turbine		
Units produced (KWH)	19627020.00	18614571.00
Total amount (Rs.)	74642541.00	68368828.00
Cost per Unit (Rs.)	3.80	3.67
2. Furnace Oil		
Quantity (in litres)	463355.00	247348.00
Total cost (Rs.)	14000309.00	6954049.83
Rate/Tonne (Rs.)	30215.08	28114.44



3. Other/Internal Generation

i) Rice Husk (In Tonnes)	31234.63	28309.62
Total Cost (Rs.)	141157113.71	116344066.13
Cost per Unit (Rs.)	4519.25	4109.70
ii) Steam Coal (In Tonnes)	398.03	389.92
Total Cost (Rs.)	1679147.00	1413266.00
Cost per unit (Rs.)	4218.64	3624.50

**B. CONSUMPTION PER UNIT OF PRODUCTION
GARMENT UNIT**

1. Rice husk used per Kg. of dyed cloth/Yarn	5.13	5.96
2. Electricity consumed per unit Hosiery Garments Manufactured (From Fabric to Garment)	0.64	0.75

SPINNING UNIT (ALL)

Product Cotton/Synthetic Yarn	79118106.70	67694691.48
Electricity (Unit/Kg.)	4.51	4.54
Rice husk used per Kg. of Yarn	--	--
Furnace Oil used per kg. of Yarn	0.02	0.01
Steam Coal used per kg. of Yarn	--	--

MERCERISING CUM DYEING UNIT (LALRU)

1. Electricity consumed per unit of Yarn/Cloth (Unit/Kg.)	3.33	3.60
2. Rice husk used per Kg. of Yarn/Cloth	2.11	2.45

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, B.C.I. cotton & cleaner cotton, Polyester cotton blends, Cotton model 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.

The company has been able to procure the improve quality of raw material through R&D monitoring and thus achieving customer satisfaction by consistently meeting their ever increasing expectation.

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 quality conscious markets of the world.

The company has been able to reduce the production cost with improved quality level of finished products, thereby fetching better sales realisation.

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

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- The company has implemented a spinning project of 28800 spindles at village Jodhan with latest state of Art Technology.
- To improve the working environment, the company has installed latest humidification plant from LUWA.

Benefits derived as result of above efforts:

With the above mentioned efforts, the company will enjoy the benefit of improved quality, productivity & saving in manufacturing costs. The company will project its image in the world market as a manufacturer of world class yarn and achieve an excellent share of world market.

Information regarding Technology imported during the last five years : NIL

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

- Activities relating to Exports, initiative taken to increase exports, Development of New Export Markets for products and export plans
- With the opening of Global Trade company has taken effective steps to increase its exports and diversified export Markets. Company continues to make efforts to provide quality products at a very competitive rates so that it can compete with Inter- national suppliers and maintain a steady growth of exports.

	Current Year	Previous Year
(II) Total Foreign Exchange used and earned		
a) Earnings (FOB value of Exports etc.)	127785.02	112154.12
b) Outgo (CIF value of Imports, expenditure in foreign currency and other payments)	4617.94	9456.01

FOR AND ON BEHALF OF THE BOARD

PLACE: LUDHIANA
DATED: 30th July, 2013

JAWAHAR LAL OSWAL
(Chairman)