

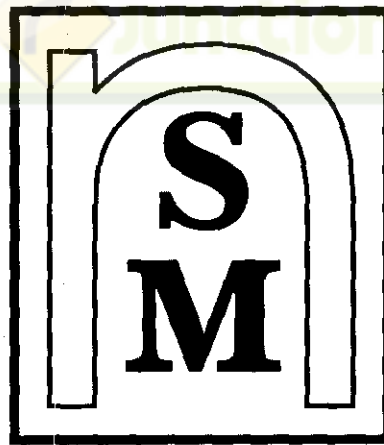


THE NAHAR GROUP

20th Annual Report

1999-2000

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Nahar **SPINNING MILLS LIMITED**

ONE OF THE PREMIER RECOGNISED GOLDEN TRADING HOUSE OF INDIA

**NAHAR SPINNING MILLS LIMITED**

Annual Report 2000

MANAGEMENT

BOARD OF DIRECTORS : **Sh. Jawahar Lal Oswal** *Chairman*
 Sh. Dinesh Oswal *Managing Director*
 Sh. Kamal Oswal *Director*
 Sh. Dinesh Gogna *Director*
 Sh. Vijay Gupta *Director*

FINANCE CONTROLLER : SH. HANS RAJ KAPOOR

COMPANY SECRETARY : SH. BRIJ SHARMA

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

BANKERS : Punjab National Bank
 State Bank of India
 ICICI Bank Ltd.

REGD. OFFICE : 373, Industrial Area-A, Ludhiana-141003.

WORKS : Industrial Area-'A' Ludhiana (Punjab)
 Dhandari Kalan, G.T. Road, Ludhiana. (Punjab)
 Village Simrai, Mandideep, Distt. Raisen (M.P.)
 Village Lalru, Distt. Patiala (Punjab)
 Village Jalalpur, Distt. Patiala, (Punjab)

20th ANNUAL GENERAL MEETING

DAY : FRIDAY

DATE : 25TH AUGUST, 2000

TIME : 10.00 A.M.

PLACE : NAHAR INTERNATIONAL LIMITED
 FOCAL POINT, LUDHIANA

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NOTICE

NOTICE is hereby given that the **TWENTIETH ANNUAL GENERAL MEETING** of the Members of NAHAR SPINNING MILLS LIMITED will be held on **Friday, the 25th Day of August, 2000 at 10.00 A.M.** at the Premises of M/s. Nahar International 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, 2000 and the Profit & Loss Account for the year ended on that date and Reports of 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 Sh. Dinesh Gogna, who retires by rotation and being eligible, offers himself for re-appointment.
5. 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

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION** :
 "RESOLVED THAT in accordance with the provision of section 257 and all other applicable provisions, if any, of the Companies Act, 1956 Mr. Satish Kumar Sharma, who was appointed as an Additional Director of the company w.e.f. 30th May, 2000 and who holds such office upto the date of forthcoming Annual General Meeting in terms of section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a director of the company, liable to retire by rotation."
7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION** :
 "RESOLVED THAT in accordance with the provision of the section 257 and all other applicable provisions, if any, of the Companies Act, 1956 Dr (Mrs.) H.K. Bal, who was appointed as an Additional Director of the company w.e.f. 30th May, 2000 and who holds such office upto the date of forthcoming Annual General Meeting in terms of section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as a director of the company, liable to retire by rotation."
8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION** :
 "RESOLVED THAT pursuant to the provisions of Section 198, 309, 310 and Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), consent and approval be and is hereby accorded for increase in the remuneration payable to Sh. Dinesh Oswal, Managing Director of the company, in respect of period commencing from 1st Aug., 2000 upto the date of expiry of his present term of office i.e. 31 Dec., 2001 in the manner and to the extent set out below:



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- a) Salary : Rs. 2,50,000/- p.m.
 - b) Commission : 1% of the net profit, subject to maximum of Annual Salary.
- All other terms and conditions of the service agreement will remain the same."

BY ORDER OF THE BOARD

PLACE : LUDHIANA
DATED : 27TH JULY, 2000

BRIJ SHARMA
(COMPANY SECRETARY)

NOTES :

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business under items 6 to 8 are annexed hereto and form part of the notice.
2. 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. 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.
3. **The Register of Members and Share Transfer Register of the Company shall remain closed from 16th August to 25th August, 2000 (Both days inclusive).**
4. Pursuant to Section 205A of the Companies Act, 1956, all unclaimed dividends upto the Financial Year 1993-94 have been transferred to General Revenue Account of the Central Government. Shareholders who have not encashed their Dividend Warrants relating to the said period are requested to claim the amount from the Registrar of Companies, 286, Defence Colony, Jalandhar. In case of any assistance required, please write to the attention of Company Secretary of the company.
5. Members are hereby informed that Dividend which remain unclaimed/unencashed over a period of Seven Years, has to be transferred by the company to Investor Education and Protection Fund which shall be constituted by the Central Govt. under section 205-A and 205-C of the Companies Act, 1956.
6. The Final 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 25th August, 2000 or Register of beneficial owners, maintained by the Depositories at the close of 15th August, 2000.
7. Members are requested to :
 - (i) Quote their Folio Number(s) in all correspondence with the company.
 - (ii) Notify/send immediately to the company's Regd. Office at 373, Industrial Area-A, Ludhiana-141 003.
 - a) Change, if any, in their registered address alongwith Pin Code Number.
 - b) For consolidation of their share holding, if registered in identical name(s) in more than one folio, a request letter alongwith relative share certificates.
8. The document referred to in the accompanying Explanatory Statement are open for inspection at the Registered Office of the company on any working day (except Sunday & Holiday) between 10.00 AM to 12.00 Noon up to the date of Annual General Meeting.
9. 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.
10. Members are requested to bring the copy of the Annual Report along with them, at the meeting.



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DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting the Twentieth Annual Report on the affairs of the Company for the year ended 31st March, 2000.

FINANCIAL RESULTS

(Rs. in Lakhs)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Profit for the year before Tax & Dep.	5030.64	4681.01
Less : Depreciation	2048.79	1854.98
Provision for Taxation	300.00	350.00
	2348.79	2204.98
	2681.85	2476.03
Income Tax Adjustment/ Excess Prov. for earlier years including interest written back	(-) 413.37	(-) 203.01
Transfer from General Reserves	8269.70	---
	10538.18	2273.02
APPROPRIATION		
Proposed Dividend	672.33	806.19
Tax on Dividend	96.14	88.68
Transfer to Bond Redemption Reserve	100.00	200.00
Transfer to General Reserve	---	1178.15
Diminution in value of long term Investment	9669.71	---
	10538.18	2273.02

COMPANY'S PERFORMANCE

Before reviewing the overall performance of the company, we would like to brief you about the working of each divisions separately.

Spinning Division

During the year the performance of the spinning division remained satisfactory. The Spinning Division contributed Rs. 17322.77 lacs towards the turnover of the company, as against Rs. 16390.17 lacs showing an increase of 5.69% over the previous year. The company's efforts to explore new export markets has started yielding results and in this division it has been able to increase its export turnover to Rs. 12667.09 lacs as against Rs. 10905.45 lacs showing an impressive increase of 16.15% over the previous year.

During the year under review, the 100% Export Oriented Spinning Unit at Village Jalalpur, Distt. Patiala, commenced Commercial Production. The

company has already installed 16128 Spindles and balance 12096 spindles are under erection. The Unit is equipped with ultra modern machinery and quality control equipment. It will produce High quality value added yarn for the manufacturers of highly fashion conscious garments of Europe and other countries across the World. On its completion, the company's spindlage capacity will increase to 94512 spindles and the company will be able to further consolidate its position.

Mercerising-cum-Dyeing Plant

As informed in previous report the company is putting up Mercerising cum dyeing plant at Village Lalru, Distt. Patiala, Punjab. We are pleased to report that the machinery for the plant has arrived at the site and is under installation. The Unit is likely to be completed by August, 2000. The Super Fine Quality yarn produced by the Unit will be used for captive consumption as well as exports. The Unit will cater to the expanding demand of manufacturers of very fine quality garments of Europe and other countries across the world. This will broad base the customer network of the company. Your Board is quite hopeful that the Unit will result in substantial favourable impact on the company's profitability in the coming years.

Hosiery Garment Division

The performance of Hosiery Division also remained satisfactory. The Division contributed Rs. 16395.57 lacs towards the operating income as against Rs. 14549.94 lacs showing an increase of 12.68% over the previous year. Likewise the export turnover at Rs. 7599.35 lacs has also shown an increase of 6.35% over the previous year.

In line with the company's policy to adopt new and advance technology and to further strengthen its position in global markets, your company is undertaking an expansion cum-modernisation Programme of Hosiery Division at a capital outlay Rs. 26.98 crores. The expansion will be financed through a loan of Rs. 20 crore from financial institutions and balance from the internal accruals of the company. The said expansion cum-modernisation will enable the company to produce more value added products and will also reduce manufacturing cost to ensure better place in International markets.



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

ITEM NO. 6

The Board of Directors of the company appointed Mr. Satish Kumar Sharma as an Additional Director of the company w.e.f. 30th May, 2000 pursuant to article 78 of the Articles of Association of the company. In terms of section 260 of the Companies Act, 1956 read with article 78 of the Articles of Association of the company, Mr. S.K. Sharma will hold office of the Additional Director upto the date of Annual General Meeting. The company has received a notice in writing alongwith requisite deposit from a member under section 257 of the Companies Act, 1956, signifying his intention to propose the appointment of Mr. S.K. Sharma as a Director, liable to retire by rotation. The company has also received consent in writing from Mr. S.K. Sharma to act as a Director of the company, if appointed.

Mr. S.K. Sharma has done Masters in Business Administration and is having 20 years of experience in Textile Industry. Your Directors considers that having regard to his wide knowledge and experience, it will be in the interest of the company to appoint him as a Director of the company.

Your Directors recommend the resolution for your approval.

None of the Directors except Mr. S.K. Sharma is, in any way, concerned or interested in the resolution.

ITEM NO. 7

The Board of Directors of the company appointed Dr. (Mrs.) H.K. Bal as an Additional Director of the company w.e.f. 30th May, 2000 pursuant to Article 78 of the Articles of Association of the company. In terms of section 260 of the Companies Act, 1956 read with article 78 of the Articles of Association of the company Dr. (Mrs.) H.K. Bal will hold office of the Additional Director upto the date of Annual General Meeting. The company has received a notice in writing alongwith requisite deposit from a member under section 257 of the Companies Act, 1956 signifying his intention to propose the appointment of Dr. (Mrs.) H.K. Bal as a Director, liable to retire by rotation. The company has also received consent in writing from Dr. (Mrs.) H.K. Bal to act as a Director of the company, if appointed.

Dr. (Mrs.) Bal is retired Business Management Professor. Your Directors are of the opinion that having regard to her wide knowledge and experience, it will be in the interest of the company to appoint her as a Director of the Company.

Your Directors recommend the resolution for your approval.

None of the Directors except Dr. (Mrs.) H.K. Bal is, in any way, concerned or interested in the resolution.

ITEM NO. 8

Sh. Dinesh Oswal was appointed as Managing Director of the company on 1st January, 1997 for a period of 5 years. He has been drawing remuneration as per Schedule XIII and shareholders approval vide resolution dated 30th September, 1996. The salary was fixed as per the limits fixed by Schedule XIII of the Companies Act, 1956 at that time.

However looking at the increase in the size and business of the company and in consonance with the duties assigned to him the Board decided to increase the remuneration payable to Managing Director w.e.f. 1st August, 2000 subject to the approval of Shareholders, for the remaining period of his office.

Your Directors recommend the resolution for your approval.

Sh. Jawahar Lal Oswal and Sh. Kamal Oswal being relative and Sh. Dinesh Oswal may be deemed to be concerned or interested in the said resolution.

BY ORDER OF THE BOARD

PLACE : LUDHIANA
DATED : 27TH JULY, 2000

BRIJ SHARMA
(COMPANY SECRETARY)



Overall Performance

Despite overall turbulent phase in the textile industry, your company has been able to improve its performance during the year. The company achieved an operating income of Rs. 33718.34 lacs as against Rs. 30940.11 lacs showing an increase of 8.98% over the previous year. On export front too, the company exported goods worth Rs. 20266.44 lacs as against Rs. 18051.24 lacs showing an impressive increase of 12.27% over the previous year. The company continues to enjoy the status of "GOLDEN TRADING HOUSE" in recognition of its continued outstanding export performance. The Gross Profit and Net Profit at Rs. 5030.64 and Rs. 2681.85 has shown an increase of 7.47% and 8.31% respectively over the previous year.

As there is a substantial fall in the Market value of company's long term investment, it has been decided that the effect of fall in the value of these investments be taken into account so as to allow the investors to know the real worth of the company and also to have a true and fair view of the company for financial analysis purposes. This conscious decision has been taken in tune with the policy of transparency vis a vis present strength of the company. Accordingly a sum of Rs. 9669.71 lacs has been charged to Profit and Loss appropriation account after transferring the required amount from General Reserves. After this adjustment the company's Reserves stands at Rs. 35292.80 lacs as on 31st March, 2000.

DIVIDEND

In May, 2000, your Directors paid an Interim Dividend @35% (i.e. Rs. 3.50 per fully paid up Shares) on Equity Share Capital of the company. Your Directors are now pleased to recommend a Final Dividend @15% (i.e. Rs. 1.50 per fully paid up Shares) on the equity share capital for the year ended 31st March, 2000. With this the total dividend (including interim dividend @35%) comes to 50% for the year ended 31st March, 2000.

CREDIT RATING

The Crisil has reaffirmed AA+ (Pronounced double A plus) rating to the company's secured premium convertible bonds & P1+ (Pronounced P one plus) rating for the company's commercial paper programme upto Rs. 200 million.

The reaffirmation of rating reflects the strong market

position of the company in the Cotton Hosiery Garment and Yarn Business.

LISTING OF SECURITIES

The securities of the company are listed on the Ludhiana Stock Exchange Association Limited, Feroze Gandhi Market, Ludhiana, The Delhi Stock Exchange Association Limited, DSE House, 3/1, Asif Ali Road, New Delhi, The Stock Exchange, Phiroze Jeejeebhoy Towers, Dalal Street, Bombay and The National Stock Exchange of India Limited, Trade World, Senapati Bapat Marg, Lower Parel, Mumbai. Further, the company has paid the listing fee to all the aforesaid Stock Exchanges for the financial year 2000-2001.

DEMATERIALISATION OF SECURITIES

As already informed in earlier report that your company has joined hands with the National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) to facilitate holding and trading of securities in electronic form.

We would also like to inform you that the Securities and Exchange Board of India (SEBI) has included the company's scrip in compulsory demat settlement for all investors w.e.f. 21st March, 2000. Thus the dealing in the company's equity shares in future will be in demat form only. We hope that you will avail this opportunity and will get your holding dematerialised at the earliest. As on date 66% of equity capital of the company has been dematerialised.

DIRECTORS

Pursuant to article 91 of the Articles of Association of the company Sh. Jawahar Lal Oswal and Sh. Dinesh Gogna will be retiring by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

During the the period under review, Mr. S.K. Sharma was appointed as Additional Director to hold Office upto the ensuing Annual General Meeting. The company has received a notice U/S 257 of the Companies Act, 1956 from a member proposing the candidature of Mr. S.K. Sharma for the Office of Director of the Company.

Dr. (Mrs.) H.K. Bal was appointed as Additional Director to hold office upto the ensuing Annual General Meeting. The company has received a notice U/S 257 of the Companies Act, 1956 from a member proposing the candidature of Dr. (Mrs.) H.K. Bal for the office of Director of the company.



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COST AUDITORS

The company appointed M/s Ramanath Iyer & Co., Cost Accountants, New Delhi as Cost Auditors for the year 1999-2000 and their report would be submitted to the Department of Company Affairs, Ministry of Law, Justice and Company Affairs, 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(l-B) of the Companies Act, 1956 to the effect that their re-appointment, if made, would be within the limits specified in the said section.

FIXED DEPOSITS

During the year the company has not accepted any fixed deposit within the meaning of Section 58-A of the Companies Act, 1956 and the rules made there under.

PARTICULARS OF EMPLOYEES

The information as required under 217(2A) of the Companies Act, 1956 read with rules framed there under, is enclosed as per Annexure-I.

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

The detailed information as required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (disclosure of Particulars in report of the Board of Directors) Rules 1988, is enclosed as per Annexure-II)

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 : 27TH JULY, 2000

(CHAIRMAN)

ANNEXURE-1

PARTICULARS OF EMPLOYEES TO THE PROVISIONS OF SECTION 217(2A) OF THE COMPANIES ACT, 1956 AND FORMING PART OF DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2000

Sr. No.	Name	Designation/ Nature of Duties	Remuneration (in Rs.)	Nature of Employment	Qualification	Experience in Years	Date of Employment	Age (Years)	Last Employ- ment
1.	Sh. Dinesh Oswal	Managing Director	4318260	Contractual	B.Com	15	01.01.1987	35	Oswal Woollen Mills Ltd.
2.	Sh. Shripaul Jain	Chief-Executive (Exports)	547500	Non- contractual	B.A.	40	01.07.1992	64	- do -

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 and Sh. Kamal Oswal, Directors of the company.



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ANNEXURE - II

INFORMATION AS PER SECTION 217(I)(e) (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, 2000

CONSERVATION OF ENERGY

a) Measures taken for conservation of energy :

Energy conservation is an ongoing process in our organisation. The company has taken following measures for energy conservation:

- For achieving maximum productivity latest indigenous as well as imported plant and machinery have been installed. Most of the machines installed are having inverter controlled driving motors for better energy conservation. The company has also installed T.F.O. machines with high efficient energy saving spindles.
- The company has installed yarn conditioning machines based on steam heating principle which consumes no power for heating purpose. Thus continuous energy is saved.
- The company has installed furnace oil based power plant, wartsila-LN 32 in its 100% export oriented spinning unit at village Jalalpur for cheaper and consistent power supply.
- To achieve further saving of energy in lighting, replacement of existing Copper Ballast by Electronic Ballast is in process in Unit No. 1 & 2.
- Company has installed state of art Furnace Oil based new Power Plant at Mandideep which has resulted higher power units generated per unit of Furnace Oil and also healthy power supply generated has resulted in fewer break downs in Electronic/Electric components of machines.
- Company has provided gravity ventilators at the roof level in new power plant building of Unit No. II, the louvers of which get adjusted according to the pressure with-in-hall. It has resulted non-installation of exhaust fans in D.B. set and thus continuous energy saving is achieved.

b) **Additional investment & proposals for reduction of consumption of energy :** Conservation of energy is an ongoing process.

c) **Impact of measures, consequent to (a) and (b) above** By optimising the use of capacitors for maximum demand, company has achieved power factor of up to 98 to 99%.

d) **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 scheduled thereto.**

Form - A

A. POWER & FUEL CONSUMPTION

	Current Year 1999-2000	Previous Year 1998-99
1. ELECTRICITY		
a) Purchased Unit (KWH)	24327678	44978446
Total amount (Rs)	51137915	127326756
Rate per unit (Rs)	2.10	2.83
b) Own generation through diesel generator set		
Units (KWH)	Not workable	Not Workable
Total Amount (Rs)	128250581	72014640
Cost per unit (Rs)	---	---
2. STEAM COAL		
Quantity (in Tons)	Used in Boiler	Used in Boiler
Total cost (Rs)	Nil	Nil
Average Rate per Ton (Rs)	---	---
3. FURNACE OIL	---	---
4. OTHERS/INTERNAL GENERATION		
Rice Husk		
(Quantity in tonnes)	22618.060	20459.723
Total Cost (Rs.)	22850691	20564519
Rate/Tonne (Rs)	1010.28	1005.12

B. CONSUMPTION PER UNIT OF PRODUCTION MAIN EXPORT UNIT

1. Coal used per kg. of dyed cloth	---	---
2. Rice husk used per Kg. of dyed cloth	3.91	4.00
3. Electricity consumed per unit of Hosiery Garments manufactured	4.19	3.83

SPINNING UNIT (MANDIDEEP)

Product Cotton/Synthetic Yarn		
Electricity (Unit/Kg)	4.49	4.00

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 latest state-of-arts technology and equipments in R&D for on line process monitoring from raw-material to the finished product. The company has also recently installed state-of-art yarn clearers in Unit-II-100% EOU to replace old clearers. Constant monitoring by R&D has proved a big step in yarn quality achievements and has also lowered waste generation by 2 to 3%. Further, company has installed vision shield in blow room line and wster quantum clearers in autocorner for highest level contamination control.

ii) **Benefits derived as a result of above R&D :** These facilities enable the company to manufacture quality products meeting international standards which have found ready acceptance in the international markets.

iii) **Future Plans :** The company is committed to continuously upgrade its R&D facilities to meet the quality requirements of its overseas customers.

iv) Expenditure on R&D

a) Capital	-	Nil
b) Recurring	-	Nil
c) Total	-	Nil

B. Technology Absorption, Adoption and Innovation:

i) **Efforts in brief made towards technology absorption, adoption and innovation :** Continuous efforts are made to secure and utilise the latest available technology both indigenous as well as from abroad to keep pace with the latest manufacturing trends, keeping in mind the quality, cost reduction and the capacity utilisation. The services of trained and experienced technicians are also availed to get the maximum benefits out of the latest machinery.

ii) **Benefits derived as a result of above efforts :** The company is hopeful that with the adoption of latest technology there will be reduction in wastage and improvement in quality.

iii) **Information regarding Technology Imported during the last five years** Nil

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

	Current Year	Previous Year
a) Foreign Exchange earned (Rs.)	199,66,39,971	1765712947
b) Foreign Exchange Outgo (Rs.)	459535352	207781757

FOR AND ON BEHALF OF THE BOARD

PLACE : LUDHIANA

JAWAHAR LAL OSWAL

DATED : 27TH JULY, 2000

(CHAIRMAN)