

NANDAN EXIM LIMITED

young yet experienced

18th Annual Report ***2011-2012***



Company Information

BOARD OF DIRECTORS

Shri Vedprakash D. Chiripal	<i>Chairman</i>
Shri Brijmohan D. Chiripal	<i>Managing Director</i>
Shri Gautam C. Gandhi	<i>Director</i>
Shri Ambalal C. Patel	<i>Director</i>
Shri Deepak J. Chiripal	<i>CEO</i>
Ms. Purvee D. Roy	<i>Company Secretary</i>

BANKERS

State Bank of India
State Bank of Hyderabad
Syndicate Bank
Oriental Bank of Commerce
State Bank of Travancore
United Bank of India
Karur Vysya Bank
Bank of Maharashtra
UCO Bank
Dena Bank
Laxmi Vilas Bank
Central Bank of India
The Saraswat Co-Operative Bank Ltd.

REGISTERED OFFICE & PLANT

Survey No. 198/1, 203/2,
Saijpur-Gopalpur, Pirana Road,
Piplej, Ahmedabad - 382405

CORPORATE OFFICE

"Chiripal House",
Shivranjani Cross Roads,
Satellite, Ahmedabad - 380015.
Tel : 91-079-26734660-2-3
Fax : 91-079-26768656
Email : cs.nel@chiripalgroup.com

COMMITTEES OF BOARD :-

AUDIT COMMITTEE

Shri Ambalal C. Patel	<i>Chairman</i>
Shri Vedprakash D. Chiripal	<i>Member</i>
Shri Gautam C. Gandhi	<i>Member</i>

REMUNERATION COMMITTEE

Shri Ambalal C. Patel	<i>Chairman</i>
Shri Vedprakash D. Chiripal	<i>Member</i>

SHAREHOLDERS GRIEVANCE COMMITTEE

Shri Gautam C. Gandhi	<i>Chairman</i>
Shri Vedprakash D. Chiripal	<i>Member</i>
Shri Ambalal C. Patel	<i>Member</i>

AUDITORS

M/s J.T. Shah & Co.,
Chartered Accountants,
201/202, Lalita Complex,
Nr. Mithakhali Cross Roads,
Navrangpura, Ahmedabad - 380 009

REGISTRAR & TRANSFER AGENT

Datamatics Financial Services Ltd.

Plot No. B5, Part B Cross Lane,
MIDC, Andheri (E), Mumbai - 400 093
Tel. No.: 022-66712001-06
Fax No.: 022-66712011
Email : investorqry@dfssl.com

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NOTICE

Notice is hereby given that the **18th Annual General Meeting** of the Members of the Company will be held on **Wednesday, September 26, 2012** at 3.00 P.M. at the Registered Office of the Company situated at Survey No. 198/1 & 203/2, Saijpur – Gopalpur, Pirana Road, Piplej, Ahmedabad – 382 405 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and Profit and Loss Account for the year ended on that date together with the Reports of the Directors' and Auditors' thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri.Ambalal C. Patel, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint auditors M/s. J.T. Shah & Co., Chartered Accountants to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

By order of the Board of Directors

Date : 13/08/2012

Place : Ahmedabad

Vedprakash D. Chiripal
Chairman

NOTES:

1. (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED AND SIGNED SHOULD REACH THE COMPANY'S REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
(b) Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
2. The Statutory Registers are open for inspection at the registered office of the company on all working days except Sunday(s) and public holidays, between 11.00 a.m. to 1.00 p.m. upto the date of the meeting.
3. (a) The Company has notified closure of Register of Members and Share Transfer Books from Saturday, September 22, 2012 to Wednesday, September 26, 2012 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the meeting.
(b) The date of payment of dividend shall be October 3, 2012 and the dividend on Equity Shares, if declared at the Meeting, will be credited / dispatched between September 27, 2012 and October 3, 2012 to those members whose names shall appear on the Company's Register of Members as on September 21, 2012; in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owners as on that date.
4. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar and Transfer Agents cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.
5. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address immediately to the Company / Registrar and Transfer Agents, M/s. Datamatics Financial Services Limited, Mumbai.
6. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company will transfer the unpaid or unclaimed dividends for the financial years which are due for transfer to the Investor Education and Protection Fund (the IEPF) within the limit and time framed by the Central Government and the amendments announced thereafter from time to time.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar and Transfer Agents, Datamatics Financial Services Limited, Mumbai.

8. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website www.chiripalgroup.com under the section 'Investor Relations'.
9. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Datamatics Financial Services Limited for consolidation into a single folio.
10. Non-Resident Indian Members are requested to inform Datamatics Financial Services Limited immediately of:
 - a. Change in their residential status on return to India for permanent settlement.
 - b. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
11. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
12. A brief resume of the Director to be re-appointed, nature of his expertise in functional areas, names of companies in which he holds directorship and memberships / chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, are provided in the Report on Corporate Governance forming part of the Annual Report.
13. As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copy of the Annual Report while attending the Annual General Meeting. And further the copy of the Annual Report to the shareholders whose email id is available through their respective depositories will be sent on their registered email id's as a green initiative in corporate governance.

By order of the Board of Directors

Date : 13/08/2012
Place : Ahmedabad

Vedprakash D. Chiripal
Chairman

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, the following information is furnished about the Directors proposed to be appointed / re-appointed vide Item No. 3 of the Notice dated August 13, 2012 convening the 18th Annual General Meeting of Nandan Exim Limited:

Name of Director	Brief Resume and Nature of Expertise in Functional Area	List of Directorship / Committee Memberships in other Public Companies as on March 31, 2012
Shri.Ambalal C. Patel	He is an engineering graduate and has obtained his Bachelor of Engineering (Metallurgy) degree from the Indian Institute of Science, Bangalore. He has vast experience in project evaluation and project finance. He has worked in Gujarat Industrial and Investment Corporation (GIIC) as a Technical Advisor and later as a Deputy General Manager. He has vast experience in advising regarding financial matters and project appraisal.	Other Directorship: Chiripal Industries Limited Jindal Hotels Limited Vishal Malleables Limited Laffans Petrochemicals Limited Sumeru Industries Limited Circuit Systems (India) Limited S A L Steel Limited Shree Precoated Steels Limited CIL Nova Petrochemicals Limited Ajmera Realty & Infra India Limited Committee positions held in Nandan Exim Limited: Chairman – Audit Committee Member – Shareholders Grievance Committee Committee Positions held in other Public Companies: 4 (four)

DIRECTORS REPORT

Dear Members,

Your Directors have pleasure in presenting the 18th Annual Report on the business and operations of the Company together with the Audited Accounts for the financial year ended March 31, 2012.

FINANCIAL HIGHLIGHTS:

The financial performance of the company is summarized below:

(Rs. in Lacs)

FINANCIAL RESULTS	2011-12	2010-11
Sales	57383.87	50739.63
Profit Before Depreciation and Tax	5956.23	5129.87
Less: Depreciation	3325.89	2536.05
Profit Before Taxation	2630.34	2593.82
Less: Provision for Taxation	601.00	574.33
Less: Provision for Deferred Tax	150.00	284.95
Profit for the year	1879.33	1734.54
Appropriations / Adjustments		
Proposed Final Dividend	(455.49)	—
Corporate Dividend Tax (including cess and surcharge)	(73.89)	—
General Reserves	(47.00)	—
Profit carried to Balance Sheet	1302.95	1734.54

PERFORMANCE:

During the year under review 2011-12, your Company has achieved a record turnover of Rs. 573.84 crores as against Rs. 507.40 crores for the previous financial year registering a rise of 13.09 percentage.

The profit before tax (after interest and depreciation charges) during the year under review was Rs. 26.30 crore as compared to previous years figure of Rs. 25.36 crore. The Net Profit during the year 2011-12 was Rs. 18.79 crore as compared to previous year figure of Rs. 17.35 crore which shows the increase of 8.35 percentage. Your Directors would like to inform that the Company is implementing the expansion projects by increasing its production capacity continuously in order to grab the increase in demand for the denim fabrics in the domestic and international market and thereby increasing its volume and activities in its field. Further the Company has targeted to achieve high volume in terms of quantity and value and also adding the capacity to improve its performance and thereby its share in the market. The Company is also in dialogue with the international brand players for the supply of its products. With the cutting down of production by China, there is very bright future in the denim fabrics for all denim manufacturers and with the high qualitative products and cost effectiveness, your Company expects to achieve excellent performance during the current year.

CREDIT RATING:

The Company has received credit rating of 'Fitch BBB-(ind)' for long term loans, 'Fitch BBB-(ind)' / 'Fitch A3 (ind)' for Fund Based Limits and Fitch A3(ind) for Non – Fund Based Limits in June 2012. This is as per Fitch Ratings India Private Limited.

DIVIDEND:

During the year under review, the Company has achieved a Net Profit after Tax of Rs. 18.79 crores even after continuous implementation of expansion projects, which is financed through Term Loans and Internal Cash Approvals. With a profit to be ploughed back in the project and with the record revenue by way of sales during the year under review and also as a part of kind support and trust put in by the shareholders in the Company, your Directors have recommended a dividend of 10% (Re. 1/- per share) on equity shares during the year ended on March 31, 2012. The dividend will be paid to the members whose name appears in the Register of Members as on the record date in respect of the shares held in dematerialised form. It will be paid to the members whose names are furnished by National Securities Depositories Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

CONSOLIDATION OF SHARES:

Your Directors would like to state that your Company has consolidated the face value of Equity Shares from Re. 1/- per share to Rs. 10/- per share during the year under review. The consolidation in the share capital has been effectively done for the purpose of giving a better picture of Earning Per Share (EPS) to the equity shareholders and to enable them to take effective decision in the development of the Company. Your Company, after complying the necessary formalities with the concerned stock exchanges and depositories, has recommended the trading of equity shares at a face value of Rs. 10/- per share. Therefore, your Directors would like to inform the shareholders and the investors at large that the face value of the equity shares of the Company is Rs. 10/- per share.

DEPOSITORY SYSTEM:

As the members are aware, the Company's shares are compulsorily tradable in electronic form. As on March 31, 2012, 99.96 % of the Company's total paid-up Capital representing 455,323,74 Shares were in dematerialized form. In view of the numerous advantages offered by the Depository System, members holding shares in physical mode are advised to avail of the facility of dematerialization on either of the Depositories.

PUBLIC DEPOSIT:

Your Company has not accepted any deposit during the year under review u/s. 58A of the Companies Act, 1956.

SAFETY OF ASSETS:

Your Directors state that the business has lots of unforeseen risks attached to its real assets such as plant & machinery, stocks and other assets of the Company and in case any unforeseen event happens, entire business might get stuck and therefore your Directors have taken effective steps to cover these risks adequately by having insurance cover as per the norms to safeguard the business and the interest of the stakeholders of the Company.

CORPORATE GOVERNANCE:

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Company has also implemented several best corporate governance practices prevailing in the market. A separate report on Corporate Governance along with the Auditors' Certificate on compliance with Corporate Governance as stipulated in Clause 49 as set out in this Annual Report and forms part of this report. Further, a certificate from C.E.O. regarding declaration on Code of Conduct also forms part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY:

The Company has an innate desire and zeal to contribute towards the welfare and social upliftment of the community. During the year 2011-12, Chiripal Group continued its Corporate Social Responsibility (CSR) initiatives in various fields. Activities in this area are set out in detail in the annexed CSR Report.

MANAGEMENT DISCUSSION AND ANALYSIS:

Management Discussion and Analysis Report as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is presented in a separate section forming part of the Annual Report.

BOARD OF DIRECTORS:

In accordance with the Articles of Association of the Company and the provisions of the Companies Act, 1956, Shri. Ambalal C. Patel, Director retires by rotation from the Board of Directors of the Company at the ensuing Annual General Meeting during the year under review, and offers himself for reappointment. Your Directors recommend his reappointment.

A brief resume of the Director retiring by rotation at the ensuing Annual General Meeting, nature of expertise in specific functional areas and names of companies in which he holds directorships, chairmanships of Committees of the Board as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India forms part of the Annual Report.

PARTICULARS OF EMPLOYEES:

In terms of the provisions of Section 217(2A) of the Act, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of employees are set out in the Annexure to the Directors Report. However, having regard to the provisions of Section 219(1)(b)(iv) of the Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956 and based on the information received from the Management and after due enquiry, your Directors state that:

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) They have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2012 and of the profit of the Company for the year ended on that date;
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The annual accounts of the Company have been prepared on a going concern basis.

AUDITORS AND AUDITORS' REPORT:

M/s. J.T. Shah & Co., Chartered Accountants, the Statutory Auditors of the Company, hold office upto the conclusion of the ensuing Annual General Meeting and are eligible for appointment.

The Company has received letters from M/s. J.T. Shah & Co., Chartered Accountants, to the effect that their appointment, if made would be in conformity with the limits prescribed in Section 224(1B) of the Companies Act, 1956 and they are not disqualified for such appointment within the meaning of section 226 of the said Act. The Board recommends the re-appointment of M/s. J.T. Shah & Co., Chartered Accountants, as the Auditors of the Company for the current financial year 2012-13.

The observations and comments given by Auditors in this 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,

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

The particulars as required under section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in Annexure to this report.

ACKNOWLEDGEMENT:

Your Directors would like to express their appreciation for the assistance and co-operation received from the financial institutions, banks, government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the services by the executives, staff and workers of the Company.

For and on behalf of the Board

Place : Ahmedabad
Date : 13/08/2012

VEDPRAKASH D. CHIRIPAL
Chairman

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE – 1

Particulars pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Report of the Directors.

A. CONSERVATION OF ENERGY:

(a) ENERGY CONSERVATION:

- 1) Energy efficient motors are used instead of normal duty motors & saved 600 units/ day
- 2) Replacement of existing 36 watt tube light by T5 lights in all depts. and saved 24 units/ day
- 3) PHE system use in power plant for heating of D.M water through steam condensate water and saved 12 ton steam per day.
- 4) 45 kw powerplant borewell replace by energy efficient pump (Ground Foss make) and saved 75 units / day.
- 5) We have done complete Automation in I.D. fan motor (122kw each) of power plant & saved 600 units/day
- 6) Insulation done on bare steam pipes and saved 1 % steam consumption.
- 7) Reduction in Steam consumption of 45kg/hr by replacement of main steam line 6 inch to 2 inch in old Washing section & Steam – one ton per day
- 8) New Technology PNLD is used for Air Compressor as this system ensure zero –air losses from the condensate & Saving approximate 600 units/day
- 9) Continuously monitoring of condensate drain water of all machines to ensure that all steam condensate water goes to power plant for heating of D.M water to save the extra power for heating of D.M.Water.
- 10) Cooling tower fan blade angle is changed as per climate requirement to save the 75 units/day.
- 11) 20% steam saving & quality improvement by proper temp. control through installation of auto control valve in QA washing & dryer m/c .
- 12) Two no's new cell of cooling tower taken in line to maintain the water temperature below 32 Degree C for Air compressors cooler to help us to maintain the required efficiency of compressor at same power.
- 13) New conveyor system installed for finish cloth roll from ground floor to first floor and stop the uses of lift power & saved the energy.
- 14) Spinning Dept. open end M/c Main suction pressure reduced from 75 mbar to 70 mbar & saved 300 units/Day without affecting quality.

WATER CONSERVATION

1. Maintain zero blow down water of cooling tower in summer and monsoon season by providing Complete RO Water in cooling tower and save to 225KL/Day & reduce softening plant hrs from 22 to 4 hrs and save chemicals cost in Rs.1400/Day 20 KL/day Steam condensate water is saved by installation of higher size pump in condensate Recovery System.
2. Strict monitoring of water use on dyeing, sizing and finishing by flow meter and also fixed up the norms of water flow dyeing style wise for proper control on water being used. This has considerably reduced load on borewell and effluent treatment plant.
3. Started complete reuse of water coming from finishing machine by using filtration devise.
This reduced discharge of finishing water to ETP and use of the same in washing, dyeing and sizing. Apart from above, RO water discharge and cooling tower blow down water in process

(b) ADDITIONAL INVESTMENTS AND PROPOSALS-

1. Given plant m/c audit to SKF CMP Engineer M/s. Orient Enterprises Pvt. Ltd. who will study the complete m/c vibration & electrical panel thermo-graphic at each step & suggest us the necessary action to be taken for major failure.
The audit will also help us to maintain the lubrication & bearing consumption as well as optimization of m/c condition by Thermo Graphic Technology.
2. Given audit work to M/s. Forbes Marshal for the audit of steam and condensate so as to improve the efficiency of boiler, power plant and also to improve the efficiency of steam generation and distribution.
3. Proposal for Replacement of 3 inch Air line by 5 inch air line from NEL to spinning dept. The pressure drop will be improved from 10 psi to 3 psi & it's directly Reduced the power consumption & improve the m/c performance.

(c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the costly of production of goods:

In view of measures taken, power consumption has reduced by 2274 units/day, Steam consumption 16 ton/day & water consumption by 225kl/day.

(d) Total Energy Consumption and energy consumption per Unit of Production:

I. POWER & FUEL CONSUMPTION

Power and Fuel Consumption:	31.03.2012	31.03.2011
1. Electricity		
(a) Purchased		
Unit (kwh)	2974220	22521900
Total Amount	26083532	125755828
Rate / Unit (Rs.)	8.77	5.58
(b) Own Generator:		
i. Through Diesel Generator		
Unit (kwh)	NIL	NIL
Units per ltr of Fuel Oil / Gas	NIL	NIL
Cost / Unit (Rs.)	NIL	NIL
ii. Through Steam Turbine / Generator		
Unit (kwh)	37176900	12587969
Units per kg. of Coal, Lignite etc.	1.09	1.49
Cost / Unit (Rs.)	3.52	3.60
2. LIGNITE		
Quantity (Tones) / Day	391.43	148.89
Total Cost (Rs.)	384197735	125298450
Average Rate (Rs.)	2681.75	2305.68
3. COAL		
Quantity (Tones) / Day	86.42	53.82
Total Cost (Rs.)	109001564	70602125
Average Rate (Rs.)	3446.01	3596.03
4. FURNACE OIL (Used in Generation of Steam)		
Quantity (K. Litres)	NIL	NIL
Total Amount (Rs. in Lakhs)	NIL	NIL
Average Rate (Rs.)	NIL	NIL
5. OTHERS LSHS (Low Sulphur High Stock) (Used in Generation of Steam)		
Quantity (Tones)	NIL	NIL
Total Cost (Rs. Lakhs)	NIL	NIL
Rate / Unit (Rs.)	NIL	NIL

II. CONSUMPTION PER METER OF PRODUCTION:

	31.03.2012	31.03.2011
Electricity (KWH) Per Meter	0.60	0.57
Coal (Specified Quality)	0.22	0.31
Lignite (KG) Per Meter	3.06	1.07

B. TECHNOLOGY:**RESEARCH AND DEVELOPMENT (R & D)**

The Company has separate department for the Research & Development activities for conducting continuous research on various aspects related to manufacturing activities, processes and technical know-how attached to these activities. The department is applying various options for adopting best technology for the reduction in wastage, increase in efficiency during the manufacturing processes, reduction in cost with optimum result and also applying latest sophisticated technology in order to achieve optimum efficiency in manufacturing process on basis of Research & Development and the existing manufacturing system. Further, the department also continuously analyses the various results of the application of new systems and thereby making efforts to match with the demand in the market and qualitative products to customers

1. Specific Area in which R & D is carried out by the Company

There is no specific area in which R & D is carried out by the Company.

2. Benefits derived as a result of the Above R & D

The Company has achieved good results due to adoption of efficient and latest technology running in the market and on the basis of Research & Development carried on by the Company. The effect of the application has shown the reduction in wastage, optimum output during the process, saving in per unit of electricity, reduction in cost of production and optimum results from the available resources.

3. Future Plan of Action

The Company keeps watch on future demands of customers in near future on basis of changing needs of people and continuously analyzing the same to match with demand of customers. The Company is also planning to increase its Research & Development activities by putting more efforts to get the optimum results.

C. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**Efforts made towards Technology Absorption, Adaptation and Innovation:**

The Company is planning to adopt the new and sophisticated technology in the denim fabric manufacturing and various meetings and dialogues are being conducted and various options are being studied for the adoption of advanced and sophisticated technology.

1. Aeration roll path in the oxidation zone has increased from 18 mts to 23 – 24 mts in two machines, increased depth of indigo of fastness property of the fabric.
2. Installation of 'stonter' and 'desire cum mercerise' machine for product value addition and innovation by coating, tinting, etc.
3. Spectrophotometer installed so as to evaluate percentage of the dye.
4. Installation of padding mangle for the development activity (overdyeing) and also for evaluating colours.
5. Different trial were taken to stabilize stretch product and for the better stretch and recovery.
6. On line measurement of the inspected roll for the better control of the quality.

Benefits derived:

1. In darker shades and particularly in ring yarn warp sheet problem of dyeing bed which comes eliminated by 'banana' rolls.
2. Modification of dyeing tank done (in slasher) so as to increase dipping time from 6 mts to gauge which has resulted into increase in the dept of indigo.
3. Trial are on for the remoring (opening) of sticky ends at sizing which will result into cost saving w.r.t. yarn utilization and increase of loom efficiency.
4. Liquid indigo started using commercially as well as successfully which has resulted into dyeing consistency and 10 – 12 % enhanced depth.
5. In spinning, in house production of Core Span Yarn (CSY), Spandex has started and that too successfully.

D. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- a. The Company has taken various steps to increase exports of products during the year.

- b. Foreign exchange earning and outgo during the year:

(Rs. in crores)

Particulars	31.03.2012	31.03.2011
(a) Foreign Exchange Earnings:	55.21	56.85
(b) Foreign Exchange Outgo:	1.50	1.36

Total Foreign Exchange Used and Earned: As per Notes on Accounts