



*Pasupati  
Acrylon Ltd.*

**ANNUAL REPORT 2011-2012**

# PASUPATI ACRYLON LIMITED

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## BOARD OF DIRECTORS

### **Managing Director**

Mr. Vineet Jain

### **Directors (As on 30.05.2012)**

Mr. M.M. Kohli

Mr. S.C. Malik

Mr. Sathyamoorthy

Mr. Devender Singh (PICUP Nominee)

Mr. Rakesh Gupta (PICUP Nominee)

Mr. Rakesh Mundra Director (Finance) &  
Company Secretary

### **Auditors**

M/s. B.K. Shroff & Co.  
New Delhi

### **Bankers**

Allahabad Bank  
State Bank of Patiala  
UCO Bank  
Bank of Maharashtra  
State Bank of Travancore  
Bank of Baroda  
Canara Bank

### **Regd. Office & Works**

Thakurdwara  
Kashipur Road  
Distt. Moradabad (U.P.)- 244 601  
Ph: 0591-2241352-55, 2241263  
Fax: 0591-2241262  
Email: works@pasupatiacrylon.com

### **Corporate Office**

M-14, Connaught Circus,  
(Middle Circle)  
New Delhi-110 001  
Ph : 011-47627400  
Fax : 011-47627497  
Email: delhi@pasupatiacrylon.com

### **Registrar & Share Transfer Agents** MCS Ltd.

F-65, Okhla Industrial Area  
Phase-I, New Delhi-110 020  
Ph: 011-41406149 Fax: 011-41406148  
Email: admin@mcsdel.com

## NOTICE

Notice is hereby given that the 29<sup>th</sup> Annual General Meeting of the members of Pasupati Acrylon Ltd., will be held on Friday the 28<sup>th</sup> day of September 2012 at the plant premises of Pasupati Acrylon Ltd., Village Thakurdwara, Kashipur Road, Distt. Moradabad (U.P.) at 10.00 A.M. to transact the following business :

### ORDINARY BUSINESS

1. To receive, consider and adopt the Profit & Loss statement of the company for the year ended on March 31, 2012 the Balance Sheet as on date, Auditors' Report thereon and the Director's Report.
2. To appoint a Director in place of Mr. M.M. Kohli, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to authorise the Board of Directors to fix their remuneration.

### SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modification(s), the following resolutions:

#### As Ordinary Resolution(s)

4. **"RESOLVED THAT** Mr. S.C. Malik, who was appointed as Additional Director pursuant to section 260 of the Companies 1956 and article 117 of the Articles of Association of the Company and hold such office upto the date of this Annual General Meeting and in respect of whom the Company has received Notice in writing pursuant to Section 257 of the Companies Act 1956 proposing his candidature to the office of Director be and is hereby appointed as Director of the Company."
5. **"RESOLVED THAT** Mr. Rakesh Mundra, who was appointed as Additional Director pursuant to section 260 of the Companies 1956 and article 117 of the Articles of Association of the Company and hold such office upto the date of this Annual General Meeting and in respect of whom the Company has received Notice in writing pursuant to Section 257 of the Companies Act 1956 proposing his candidature to the office of Director be and is hereby appointed as Director of the Company."
6. **"RESOLVED THAT** pursuant to section 198, 269, 309 and 311 read with schedule XIII to the Companies Act, 1956 and subject to such other approvals, permissions, if any, as may be necessary and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification or re-enactment thereof, the appointment of Mr. Rakesh Mundra as Whole-time Director (Finance) & Company Secretary of the Company for a period of five years w.e.f 14.02.2012 on the terms and conditions including remuneration as set out in the explanatory statement herein with liberty of the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include

any Committee which the Board may constitute to exercise its powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment and /or remuneration within the limits specified in Schedule XIII to the Companies Act 1956 including any statutory modifications or re-enactment thereof, for the time being in force or any amendments and / or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time or any amendments thereto as may be agreed to between the Board and Mr. Rakesh Mundra."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

#### As Special Resolution(s)

7. **"RESOLVED FURTHER THAT** pursuant to Section 314 and other applicable provisions, if any, of the Companies Act, 1956, and pursuant to the Directors relative (office or place of profit) Rules 2003 or any other amendment or substitution thereof, and subject to any other approval required if any, approval of the Company be and is hereby accorded to Mr. Manish Jain, Executive Vice President, (relative of Mr. Vineet Jain, Managing Director of the Company) to hold and continue to hold office or place of profit under the Companies Act, 1956, his remuneration be and is hereby revised w.e.f. 01.10.2012 as detailed below:

1	Basic Salary	Rs.75,000/- per month
2	Contribution to Provident Fund & Superannuation Fund	As per company Rules.
3	Reimbursement of Medical Expenses	Rs.15,000/- per annum
4	Medical Insurance	As per company Rules.

**RESOLVED FURTHER** that Board of Directors be authorized to revise the remuneration from time to time subject to maximum limit prescribed under the Companies Act, 1956 and rules made there under or any other law for the time being in force and any modification thereof."

By order of the Board  
**PASUPATI ACRYLON LIMITED**

Place : New Delhi  
Dated : 30<sup>th</sup> May, 2012

**(Rakesh Mundra)**  
Director (Finance) &  
Company Secretary

Registered Office  
Thakurdwara, Kashipur Road  
Distt. Moradabad Uttar Pradesh - 224601

## NOTICE (Cont.)

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### NOTES:-

- 1 (a) A member entitled to attend and vote, is entitled to appoint a proxy to attend and vote on his behalf and such a proxy need not be a member.  
(b) Proxies in order to be effective must be received at the Registered office of the Company, not less than 48 hours before the Annual General Meeting.  
(c) Members/proxies should bring the Attendance Slip duly filled in for attending the meeting.
2. Information relating to item No. 2, 4 & 5 as required under clause 49 of the Listing Agreement with the Stock Exchange is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 21.09.2012 to 28.09.2012 (both days inclusive).
4. Members who hold shares in de-materialised form are requested to bring their client ID and DP ID numbers for facilitating identification for attendance at the meeting.
5. Members who are holding shares in identical names under more than one Folio are requested to write to the Company to consolidate their shareholdings under one Folio. The members are also requested to notify to the Company any change in their address.
6. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days between 11.00 a.m. and 1.00 p.m.
7. The members can contact/write to the Company at its Corporate Office at M-14, Connaught Circus (Middle Circle), New Delhi-110001 in addition to its Registered Office.
8. Members needing any information are requested to write to the company at its above said Corporate Office at least 7 days in advance of the Annual General Meeting, so as to enable the management to keep the information ready at the meeting.
9. Member(s) are advised to avail of nomination facilities pursuant to Section 109A of the Companies (Amendment) Act, 1999. They may nominate a person in the prescribed manner i.e. by sending Form 2B under Rule 4CCC and 5D duly filled and signed by the Member(s) to whom his/her shares shall vest in the event of his/her death. They may send the nomination form to the Company at its Corporate Office directly.
10. Members are requested to fill in and send the Feedback Form provided in the Annual Report.

## NOTICE (Cont.)

### ANNEXURE TO THE NOTICE

Brief resume and other information, in respect of the Director(s) seeking appointment / re-appointment at the Annual General Meeting, as required under Clause 49(vi) of the Listing Agreement with the Stock Exchanges are given here under:

#### ITEM NO.2, 4 & 5

Name of Director	Mr. M.M. Kohli	Mr. S. C. Malik	Mr. Rakesh Mundra
Date of Birth	01.06.1930	10.01.1950	14.04.1960
Date of Appointment	01.02.1989	14.02.2012	14.02.2012
Experience in specific functional area	A retired IAS officer of 1952 batch was the Ex-Secretary to Ministry of Energy, Government of India. He has also held various senior positions in the state as well as at the Central Government and has varied experience in specialities function and general management.	A Fellow Member of the Institute of chartered Accountants of India, has been in the service of your Company since 1990 and had held senior positions in Finance and Accounts Departments of your company, prior to his appointment as Additional Director.	A Fellow Member of the Institute of chartered Accountants of India, A qualified Company Secretary and Cost Accountant, has been in the service of your Company since 2004, and had held senior positions in Secretarial, Finance and Accounts Departments of your company, prior to his appointment as Director (Finance) and Company Secretary.
Qualification	M.A. (Eco.)	B. Com, (Hons), FCA	FCA, FCS & ACMA
Directorship in other public limited Companies	NIL	NIL	AMG Mercantile Pvt. Ltd.
Member / Chairman of committee of the Board of the public limited companies on which he is a director	Except Member in Audit Committee, Member in Remuneration Committee and Member of Share Transfer cum Shareholders Grievance Committee of Pasupati Acrylon Limited, Mr. Kohli does not occupy any Committee membership in any other Public Limited Company.	Except Member in Audit Committee and Share Transfer-cum-Shareholders Grievance Committee of Pasupati Acrylon Limited, Mr. Malik does not occupy any Committee membership in any other Public Limited Company.	Except Member in Share Transfer-cum-Shareholders Grievance Committee of Pasupati Acrylon Limited, Mr. Mundra does not occupy any Committee membership in any other Public Limited Company.

### EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT 1956.

#### ITEM NO.4

The Board of Directors on February 14, 2012 appointed Mr. S.C. Malik as an Additional Director, pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 117 of the Articles of Association of the Company and would be holding the office up to the date of this Annual General Meeting. The Company has received a Notice under Section 257 of the Companies Act 1956 proposing his candidature for the office of Director.

Mr. Malik, aged about 62 years, is a Fellow Chartered Accountant and having industry experience of about 35 years.

Your Directors consider that Mr. S.C. Malik's experience and guidance will be immense value to the company and accordingly commend his appointment for your approval.

Appointment of Mr. S.C. Malik as Director liable to retire by rotation.

Except Mr. S.C. Malik none other Directors of the Company is in any way concerned or interested in the proposed resolution.

#### ITEM NO.5

The Board of Directors on February 14, 2012 appointed Mr. Rakesh Mundra as an Additional Director, pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 117 of the Articles of Association of the Company and would be holding the office up to the date of this Annual General Meeting. The Company has received a Notice Under Section 257 of the Companies Act 1956 proposing his candidature for the office of Director.

Mr. Mundra, aged about 52 years, is a Fellow Chartered Accountant, Fellow Company Secretary and Cost Accountant having

## NOTICE (Cont.)

industry experience of about 30 years. He is working with the Company for about 8 years.

Your Directors considers that Mr. Rakesh Mundra's experience and guidance will be of immense value to the company and accordingly commend his appointment for your approval.

Appointment of Mr. Rakesh Mundra as Director, liable to retire by rotation.

Except Mr. Rakesh Mundra, none other Directors of the Company is in any way concerned or interested in the proposed resolution.

### ITEM NO.6

Mr. Rakesh Mundra has been working with the Company as Vice President cum Company Secretary. It is proposed to appoint him as Director (Finance) and Company Secretary for a period of five years.

The Board of Directors of the Company at its meeting held on 14.02.2012 has appointed Mr. Rakesh Mundra as Director (Finance) and Company Secretary for a period of five years on the terms of remuneration approved by Remuneration Committee as per details hereunder subject to approval of Shareholders.

- |                                                                                                                                                                             |                                                                                          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| 1. Salary (Basic) per month                                                                                                                                                 | Rs.82000-8000-122000                                                                     |
| 2. <u>Allowances / perquisites:</u> -                                                                                                                                       |                                                                                          |
| a) House Rent Allowance                                                                                                                                                     | Rs.10,000/- per month                                                                    |
| b) Leave Travel Allowance                                                                                                                                                   | Yearly payment in the form of allowance shall be equivalent to one month's basic salary. |
| c) Medical reimbursement                                                                                                                                                    | Subject to a ceiling of Rs.15,000/- per annum.                                           |
| d) Personal Accident Premium                                                                                                                                                | For a maximum of Rs.10,000/- per annum                                                   |
| e) Medical Insurance Premium                                                                                                                                                | For a maximum of Rs. 10,000/- per annum                                                  |
| f) Contribution to Provident Fund and Superannuation fund will be as per Rules of the Company. At present the same shall be 12% and 13% respectively of basic salary.       |                                                                                          |
| g) Gratuity payable shall be at a rate not exceeding 15 days salary for each completed year of service or part thereof in excess of six months as per Rules of the Company. |                                                                                          |
| h) Encashment of unavailed leave as per rules of the Company.                                                                                                               |                                                                                          |

In the event of inadequacy or absence of profits under Section 349 and 350 of the Companies Act, 1956, in any year or years, Mr. Rakesh Mundra, Whole-time Director (Finance) and Company Secretary shall be entitled to minimum remuneration comprising salary, perquisites and benefits as detailed above for a period of five years in the aggregate subject to necessary approvals, if any. The respective arrangement may be terminated by either party (company or the concerned Whole-time Director) by giving the other Three month's prior notice of termination in writing.

If at any time Whole-time Director (Finance) and Company Secretary ceases to be a Director of the Company for any cause whatsoever, he shall cease to be Whole-time Director (Finance) and Company Secretary of the company.

Whole-time Director (Finance) is liable to retire by rotation.

Your Directors recommend the resolution set out at Item No.6 of the Notice for approval of the Shareholders.

Mr. Rakesh Mundra is interested in this resolution which pertains to his appointment and / or remuneration payable to him.

Save and except the above, none of the Directors of the Company, in any way, concerned or interested in the resolution(s).

### ITEM NO.7

Mr. Manish Jain, a Commerce Graduate, relative of Mr. Vineet Jain, Managing Director is working as Executive Vice President with a salary of Rs.37,000/- Per month since 1.10.2006. In view of his increasing responsibility and contribution, and of the fact that his salary has not been increased for last about six years. It is proposed to increase his remuneration w.e.f. 01.10.2012 as detailed below:

1	Basic Salary	Rs.75,000/- per month
2	Contribution to Provident Fund & Superannuation Fund	As per company Rules.
3	Reimbursement of Medical Expenses	Rs.15,000/- per annum
4	Medical Insurance	As per company Rules.

Except Mr. Vineet Jain, none other Directors of the Company is in any way, concerned or interested in the proposed special resolution.

By order of the Board  
PASUPATI ACRYLON LIMITED

(Rakesh Mundra)  
Director (Finance) &  
Company Secretary

Place : New Delhi  
Dated : 30<sup>th</sup> May, 2012

Registered Office  
Thakurdwara, Kashipur Road  
Distt. Moradabad  
Uttar Pradesh

## DIRECTORS' REPORT

### To the Members

Your Directors have pleasure in presenting Annual Report of the Company together with the Audited Accounts for the year ended on 31<sup>st</sup> March, 2012.

### FINANCIAL RESULTS

Salient financial results during the year under review as compared to the previous period are mentioned below:-

	2011-12	(Rs. in Crores) 2010-11
Sales (Gross) & Other Income	435.01	426.28
Profit before Interest & Depreciation	2.08	13.54
Financial Charges	10.23	7.03
Depreciation	2.94	2.85
Profit / (Loss) before Taxes	(11.09)	3.66
Tax Expenses for the year :-		
- Current Tax	0.03	0.02
- Deferred Tax Assets	3.81	-
Exceptional Items - Exchange Fluctuation Loss / (gain)	14.84	(2.68)
Extra-ordinary Income / (Expense)	13.45	(5.85)
Profit / (Loss) after Taxes	(8.70)	0.47

The Directors do not recommend dividend for the year.

### OPERATIONS

The Company has recorded a production of 24718 MT and Sale of 26726 MT during the year under review as against 27863 MT and 25081 MT respectively during the previous year. The gross turnover during the year was Rs.431.08 Crores as against Rs.423.23 Crores in the previous year.

During the year under review, profitability is adversely affected due to exorbitant price increase i.e., to the tune of 30 to 50 percent by Coal India Limited. On account of such abnormal price increase, Company had to burden additional expense on power & fuel. Secondly, during the year under review due to economic upheaval in European Union / Euro zone and depleting US economy, the USD to INR rose sharply. As the company is dependent upon imports, due to this sudden sharp & unexpected increase it had to suffer significant amount of foreign exchange loss despite of its proactive approach.

The Company has written back CENVAT credit of Rs.13.45 Crores written off in earlier year in these accounts, as the custom/excise duty imbalance stands corrected and company is increasing its exports as such there is virtual certainty of its recovery.

The new power plant is commissioned during the later part of the year; it is designed to run on multi fuel i.e. coal, pet coke and rice husk. As explained above company had to suffer heavy losses due to sharp increase of coal prices as there was no option except to use coal, but now with the commissioning of new power plant the company would be in a position to alter the fuel from coal to pet coke/ rice husk to its advantage. Production from new line has also started during the current year, due to increase in production the company would be in a position to derive economy of scale benefit. With the commissioning of power plant and new line it is expected that cost of production shall go down, which would give competitive advantage, as such barring unforeseen circumstances the company expects to post better profitability during the current year.

### MANAGEMENT DISCUSSION & ANALYSIS

#### a) Industry Structure and Development

The Demand of Acrylic Fibre remained subdued during first 9 months of the year. The demand picked up in the last quarter. During the current year though the momentum is not maintained but going forward it is expected to stabilize as the raw material price are showing signs of decline.

#### b) Opportunities and Threat

Volatility in raw material prices and exchange rate affects the overall environment of demand & supply. The Company is dependent on imported raw materials to a large extent and any increase in crude oil price and foreign exchange fluctuation adversely affects the prospects of the Company.

The economic outlook still appears to be challenging on account of problem in Euro zone and USA.

The Acrylic Fibre is surplus in many countries as such there are fears of dumping the same into India, though Govt. of India has imposed anti dumping duty on imports from certain countries but still more effective action needs to be taken to check the abnormal imports.

The gap in the prices of Acrylic Fibre vis-à-vis cotton & polyester encourages substitution of Acrylic Fibre by these Fibres.

#### c) Segment-wise/ Product-wise performance

The Company has only one segment i.e. Acrylic Fibre.

#### d) Risk and Concern

The principal raw material that is A C N and V A M are both petrochemical derivative and are highly susceptible to crude oil prices. In addition, the volatility in USD to INR adds to the woes of the acrylic fibre industry. During the year under review and current year the USD is rising consistently against INR which is a cause of concern for the Industry. To mitigate the exchange impact company is giving thrust to exports and also taking forward cover whenever advised.

The Company/Industry imports most of its requirement of raw material. All these are derived from crude; as such, any move upward or down ward affects the pricing of these products.

### ISO CERTIFICATION

Your Company is an ISO 9001:2000, accredited by Bureau of Indian Standard, Rooid Voor Accreditatie, Netherland. This certification indicates our commitments in meeting global quality and standards.

## DIRECTORS' REPORT (Contd.)

### FIXED DEPOSITS

The company does not accept fixed deposits from public.

### DIRECTORS

Mr. M.M. Kohli, Director retires by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for re-appointment. Mr. S.C. Malik, Director (Finance) retired on 16.01.2012. Your Directors placed on record their appreciation for the valuable services rendered by Mr. Malik during his tenure. On account of his vast experience he is inducted in the Board as Additional Director w.e.f 14.02.2012. Mr. Rakesh Mundra is appointed Director (Finance) and Company Secretary w.e.f. 14.2.2012, subject to your approval. During the year PICUP withdrew nomination as Director Mr. K.D. Sharma and nominated Mr. Devender Singh in his place. Your Directors placed on record their appreciation for the valuable services rendered by Mr. K.D. Sharma, during his tenure.

### DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956.

#### Your Directors hereby confirm that:-

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

### HUMAN RESOURCES/INDUSTRIAL RELATIONS

The Company valued human resources as its most valuable assets, among all other assets of the company. It has been the policy of the company to actuate the talent by providing opportunities to develop themselves within the organisation. The company continued to have a very cordial and harmonious relation with its employees.

### INTERNAL CONTROL SYSTEM AND ADEQUACY

Your company has been maintaining a well-established procedure for internal control system. For the purpose of financial control, company is adequately staffed with experienced and qualified personnel at all levels and plays an important role in implementing and monitoring the statutory and internal policy control environment. There has been a review conducted on regular interval by the internal auditors about the financial and operating control at various locations of the company and any significant findings are reviewed by the Audit Committee of the Board of Directors.

### EMPLOYEES

There was no employee drawing remuneration in excess of ceiling(s) prescribed under section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.

### CORPORATE GOVERNANCE

The company has complied with the Corporate Governance code as stipulated under the listing agreement executed with the Stock Exchanges. A separate section on Corporate Governance, alongwith a certificate from the auditors of the company confirming the compliance is annexed and forms part of this Report.

### COST AUDIT

The Report of Mr. Satnam Singh Saggu, Cost Accountants, in respect of the Cost Accounts of the company for the year ended 31<sup>st</sup> March, 2012 will be submitted to the Central Government in due course.

### AUDITORS AND THEIR REPORT

M/s. B.K.Shroff & Co., Chartered Accountants, New Delhi retires at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment. The Company has received certificates from them under Section 224(1-B) of the Companies Act, 1956.

The Auditors in the report, while referring to Note No.13 to Notes on Accounts, for the Financial Year 2011-12 commented on the inability to express any opinion on the future profitability projections made by the Company and their consequential impact, if any, on the Deferred Tax Assets recognized in the said accounts.

In the opinion of Board of Directors, based on future profitability estimates in view of commissioning of new Power Plant and enhancement in capacity, the company is virtually certain that there would be sufficient taxable income available in future to claim the tax credit.

### ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

A statement giving details of conservation of energy, technology absorption and foreign exchange earning and outgo in terms of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto and form part of this Report.

### ACKNOWLEDGEMENT

Your Directors wish to place on record their deep appreciation of the continued support and co-operation received from Financial Institutions, Banks and Shareholders, the State and Central Government.

Your Directors also wish to place on record their appreciation of the devoted services of the Company's employees, which have in great way contributed to the Company's progress.

For and on behalf of the Board

Rakesh Mundra

Director (Finance) & Company Secretary

Vineet Jain

Managing Director

Place : New Delhi

Dated : 30<sup>th</sup> May, 2012



## DIRECTORS' REPORT (Contd.)

(Additional Information in terms of Notification No.1029 of 16.12.1988 issued by the Department of Company Affairs).

### [A] CONSERVATION OF ENERGY

**(a) Energy conservation measures taken during the period under report are as under:**

- i) Installation of high pressure (67 kg/cm<sup>2</sup>) multi-fuel (Coal, Petcoke and Rice Husk) 50 TPH CFBC Boiler with higher efficiency.
- ii) Installation of 8 MW Condensing cum Extraction Turbine operating on higher pressure and higher extraction capacity to give better steam to power ratio.
- iii) Installation of variable frequency drives for feed water pumps and fans of New Boiler.
- iv) Installation of variable frequency drives for 28 Nos. ventilator fans of New Fibre Line to reduce power consumption.
- v) Installation of 20 Nos. variable frequency drives for New Fibre Line dryer drums for better control and energy saving.
- vi) Installation of 15 Nos. variable frequency drives in New Poly in place of PIV.
- vii) Installation of 30 Nos. CFLs in place of Tube Lights to reduce power consumption.

**(b) Additional investments and proposals**

Installation of high efficiency multi fuel CFBC Boiler

Installation of high pressure condensing cum extraction turbine

Installation of inverters in place of D.C. Drives for new equipments.

**(c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production.**

On account of above measures there would be substantial savings.

**(d) The total energy consumption per unit of production as per Form - A is annexed herewith.**

### [B] TECHNOLOGY ABSORPTION

Replacement of high value chemical with low value chemical is in progress.

### [C] FOREIGN EXCHANGE EARNINGS & OUTGO

**(a) Activities relating to exports, initiatives taken to increase exports, development of new export market for products and services and export plan.**

Your company has exported Fibre amounting to Rs.4968.91 Lacs (FOB) for the year as compared to Rs.2503.07 Lacs during the previous year. Continuous efforts are being made to improve export performance.

**(b) Total Foreign Exchange Used & Earned**

	(Rs.in lacs)	
Foreign Exchange Used	2011-12	2010-11
i) Travelling	22.82	19.24
ii) Interest & other charges	193.49	131.63
iii) Commission on export sales	59.16	14.39
iv) CIF Value of Imports		
- Raw Material	25264.36	27919.87
- Stores and spares	141.18	101.72
<b>Foreign Exchange Earned :</b>		
- FOB Value of Exports	4968.91	2503.07

# DIRECTORS' REPORT (Contd.)

## FORM - A (See Rule-2)

### FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

		Year Ending March 31, 2012	Year Ending March 31, 2011
<b>(A) POWER AND FUEL CONSUMPTION</b>			
<b>1. ELECTRICITY</b>			
Own generation			
(i) Through Diesel generator units (in Lacs)	KWH	10.57	7.26
Unit per Ltr. of Diesel Oil, r	KWH/Litre	3.16	3.16
Cost/Unit	Rs./KWH	11.87	10.94
(ii) Through turbines			
Units (in Lacs)	KWH	299.38	330.03
Total Cost	Rs./Lacs	2127.31	1784.51
Cost/Unit	Rs./KWH	7.11	5.41
<b>2. COAL</b>			
Quality of Coal and where used	'B', 'C' & 'D' grade Coal used in Boiler for generation of steam		
Quantity - units	MT	65966	71095
Total Cost	Rs./Lacs	4441.81	3714.13
Average rate	Rs./MT	6733.49	5224.17
<b>3. PET COKE</b>			
Quality of Pet Coke and where used	Pet Coke used in Boiler for generation of steam		
Quantity - units	MT	266	-
Total Cost	Rs./Lacs	28.38	-
Average rate	Rs./MT	10670.89	-
<b>(B) CONSUMPTION PER UNIT OF PRODUCTION</b>			
Products	Acrylic Fibre/Tow/Tops		
Electricity	MW/MT	1.24	1.21
Coal ('B' 'C' & 'D' grade coal used in Boiler for generation of steam)	MT	2.65	2.55
Pet Coke used in Boiler for generation of steam	MT	0.01	-