

## Banswara Syntex commences thermal power unit

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Banswara Syntex Ltd. (BSL), a vertically integrated garment supplier, has announced its successful commencement of the 18 MW thermal-based power plant at Banswara. The power plant is set up for 100% captive power consumption.

The shift from furnace oil to thermal-based power plant is expected to cash in Rs. 20 crore on an annual basis. For the power plant, BSL plans to consume 100 % imported coal. This would help the company to cash in Rs. 1.70 per unit from the existing state electricity board cost of Rs. 4.55 per unit. Moreover, this will also avail a 10-year tax holiday for the company.

**Commenting on the commissioning of the power plant, Mr. R. L. Toshniwal, Chairman and Managing Director, said, 'We have set up an 18 MW thermal power plant for better quality and uninterrupted flow of power for our captive consumption. Increased capacities along with the savings from the power plant will see the volumes grow with leveraged operating efficiencies for BSL.'**

### **Expansion Plan Status**

The company's on-going expansion plan of Rs 125 crore is progressing as per schedule. Additional 11,000 spindles became operational by August 2007. The revenue from these operations will be reflected in Q3FY08 onwards.

With the ongoing expansion plan, the income from operation from yarn is expected to be at Rs. 350 crore, fabric at Rs. 200 crore and of garments at Rs. 40 crore in FY08. Going forward, the revenue from fabric and garments is expected to improve substantially with the setting up of trousers unit of 2,0,000 pieces and jackets unit of 30,000 pieces per month capacity in SEZ area at Surat from December'07. The contribution from fabric segment would go up due to specialty product like Poly Viscose Lycra Fabric, Poly Wool, Teflon coated and Linen Fabric etc. BSL's joint venture unit at Banswara is also operating at its optimum capacity.

'Banswara Syntex is a preferred garment outsourcing partner for the major global retailers. Higher contributions from garments (particularly, career clothing for women's & sports casual wear) and fabrics coupled with decline in power costs would enable the company achieve significant improvement in net profit margins', added **Mr. Ravi Toshniwal, Joint Managing Director, Banswara Syntex Limited.**

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**About Banswara Syntex Ltd.** (Reuters Code: BANS.BO; BLOOMBERG: BWSL.IN; BSE Scrip Code: 503722; NSE Scrip Code: BANSWRAS)

Banswara Syntex Ltd. (BSL) is a vertically integrated garment supplier engaged in the manufacture

of man-made, synthetic, blended and cotton yarn, all types of suitings and trouser fabrics. The current installed capacity of its plant in Banswara (Rajasthan) is 109,000 Ring spindles, 576 Air Jet Spindles and 148 Airjet shuttleless looms. The company also has a readymade garments facility with an installed capacity to produce 1,25,000 trousers at Daman. BSL exports its products to more than 50 countries including US, UK, Canada, Spain, Germany, Italy, France, Philippines, Turkey, and GCC countries.

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