

## 40th Annual Report 2001-2002



**balkrishna industries limited**



**LORD GANESH TEMPLE AT AMBIVLI FACTORY**



## 40TH ANNUAL REPORT 2001-2002

### NOTICE

NOTICE is hereby given that the 40th Annual General Meeting of the members of BALKRISHNA INDUSTRIES LIMITED will be held as scheduled below:

DAY : Saturday  
DATE : 14th September, 2002  
TIME : 12.30 P.M.  
PLACE : Plot No : G-4/1, MIDC, Tarapur  
Boisar - 401 506.

The Agenda for the Meeting will be as under:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' Report, Auditors' Report and Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2002.
2. To declare Dividend.
3. To appoint a Director in place of Shri Pawankumar D. Poddar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Yogeshkumar A. Mahansaria, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors to hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their Remuneration.

#### SPECIAL BUSINESS:

6. To Consider and, if thought fit, to pass the following Resolution, with or without modifications, as a Ordinary Resolution.  
"RESOLVED THAT in suppression of the Ordinary Resolution passed at the 32<sup>nd</sup> Annual General Meeting of the Company held on 7<sup>th</sup> July, 1994 the consent of the Company be and is hereby accorded pursuant to Section 293 (1) (d) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the Company to borrow from time to time, any sum or sums of money for the purpose of the Company, upon such terms and conditions as the Board of Directors may in its discretions think fit, notwithstanding that the money or moneys to be so borrowed by the Company (apart from the temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) together with the moneys already borrowed by the Company may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose, provided that maximum amount of the moneys so borrowed by the Board and remaining outstanding shall not at any time, exceed Rs. 200 Crores (Rupees Two Hundred Crores).

By Order of the Board of Directors  
For BALKRISHNA INDUSTRIES LIMITED

VIPUL SHAH  
Company Secretary

Registered Office:  
H-3/1, MIDC, A Road,  
Tarapur,  
Boisar-401 506.

Mumbai,  
Dated: 28th June, 2002

### NOTES :

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- 2) The instrument appointing a proxy should be deposited at the Registered office of the Company not less than 48 hours before commencement of the meeting.
- 3) The Register of Members and the Share Transfer Books of the Company will remain closed from 9<sup>th</sup> September, 2002 to 13<sup>th</sup> September, 2002. (both days inclusive).
- 4) The Board of Directors of the Company at their at their meeting held on 28th June, 2002 recommends payment of dividend of Rs. 3.50 per Equity Share, subject to approval of members at the ensuing Annual General Meeting.  
  
The dividend declared at the Annual General Meeting will be made payable on or after 14th September, 2002 subject to deduction of tax at source, as applicable, in respect of share held in physical form to those Members whose names appear on the Register of Members on 13th September, 2002 and in respect of shares held on electronic form to those "Deemed Shareholders" whose names appear in the statement of Beneficial Ownership furnished by the depositories for this purpose.
- 5) Members are requested to notify to the Company immediately change of address, if any, so that dividend warrants are correctly despatched.
- 6) Shareholders desiring any information as regards accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
- 7) Members/Proxies should bring the attendance slip sent herewith duly filled in for attending the Meeting.
- 8) Pursuant to section 205 A of the Companies Act, 1956, all unclaimed dividends upto the financial year ended 31st March, 1996 have been transferred to the General Revenue Account of the Central Government.
- 9) In case members are holding shares under different folio numbers, but in the same order of name, the holdings can be consolidated under one folio. In such cases, members may send the certificates to the Registered Office of the Company by Registered Post.
- 10) To avail the facility of nomination, Members are requested to submit the Nomination Forms.
- 11) The Explanatory Statement pursuant to Section 172(2) of the Companies Act, 1956 in respect of Special Business under item no.6 as set out above is annexed to.

### ANNEXURE TO NOTICE

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

#### ITEM NO. 6

At the 32<sup>nd</sup> Annual General Meeting of the Company held on 7<sup>th</sup> July, 1994 the Shareholders of the Company had authorised the Board of Directors to borrow to the extent of Rs. 100 Crores in excess of the paid Share Capital and free reserves of the Company (excluding temporary Loans obtained from the Company's Bankers in the ordinary course of the business). Taking in to account the additional finances required for the continuous modernisation

**balkrishna industries limited**

and expansion activities the Company proposes the fresh resolution for increasing the borrowing powers of the Board of Directors.  
None of the Directors of the Company is interested in the Resolution.

By Order of the Board of Directors  
For **BALKRISHNA INDUSTRIES LIMITED**

**VIPUL SHAH**  
Company Secretary

**Registered Office:**

H-3/1, MIDC, A Road, Tarapur, Boisar-401 506.

Mumbai,

Dated: 28th June, 2002

Details of the Directors Seeking appointment/re-appointment in the forthComing Annual General Meeting. ( in pursuance of Clause 49(VI)(A) of the Listing Agreement.

Name	Shri Pawankumar D. Poddar	Shri Yogeshkumar A. Mahansaria
Age	49 Years	27 Years
Date of Appointment	23rd June, 2001	18th April, 1998
Qualification	B.Com	B.Com
Nature of Expertise	Industrialist	Industrialist
Name of the Companies in which also holds directorship	Siyaram Silk Mills Ltd. Cosmo Synthetic (India) Ltd.	Acumen Trading & Investment Ltd.
Chairman/Member of the Committee of the Companies on which he is a Director as 31st March, 2002	Siyaram Silk Mills Ltd. Shareholder's Grievance Committee Member	NIL

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### BOARD OF DIRECTORS :

DHARAPRASAD R. PODDAR  
Chairman

ASHOKKUMAR P. MAHANSARIA  
Vice-Chairman & Managing Director

PAWAN KUMAR D. PODDAR  
Joint Managing Director

YOGESHKUMAR A. MAHANSARIA  
Executive Director

DADI S. MULLA

JAIKUMAR JAIN

SUBHASHCHANDRA MANTRI

**COMPANY SECRETARY :**  
VIPUL R. SHAH

**BANKERS :**  
BANK OF BARODA  
CENTRAL BANK OF INDIA  
STATE BANK OF INDIA

**AUDITORS :**  
M/s. JAYANTILAL THAKKAR & CO.  
Chartered Accountants

**COST AUDITORS :**  
M/s. THOLIYA & ASSOCIATES  
Cost Accountants

**INTERNAL AUDITORS :**  
M/s. DILIP A. JAIN & ASSOCIATES  
M/s. K.M. GARG & CO.  
Chartered Accountants

### REGISTERED OFFICE :

H-3/1 MIDC "A" Road, Tarapur (Boisar),  
Dist. Thane (Maharashtra) Pin Code : 401 506

**SOLICITORS AND LEGAL ADVISORS :**  
M/S KANGA & COMPANY  
Advocates, Solicitors & Notary

### PLANTS :

**PAPER/PAPER BOARD :** Village: Ambivli,  
& P.O. Mohone,  
**COATING PLANT** Taluka - Kalyan,  
Dist. Thane (Maharashtra)

**TEXTILE :** H-3/1 MIDC "A" Road,  
**PROCESSING PLANT** Tarapur (Boisar),  
(UNIT NOS. 1 & 2) Dist. Thane (Maharashtra)

**TYRE PLANT :** B-66, MIDC  
Waluj Industrial Area,  
Aurangabad  
(Maharashtra)

Members are requested to bring their copy of the Annual Report along with them at the Annual General Meeting, as copies of the Report will not be distributed at the Meeting.





## 40TH ANNUAL REPORT 2001-2002

## DIRECTORS' REPORT &amp; MANAGMENT DISCUSSIONS AND ANALYSIS

**Dear Shareholders,**

Your Directors are pleased to present the 40th Annual Report and Audited Statement of Accounts for the year ended 31st March, 2002.

**FINANCIAL RESULTS:**

	<b>(Rs. in crores)</b>	
	<b>Current Year ended 31.03.02</b>	<b>Previous Year ended 31.03.01</b>
Gross Turnover and Other Income	<b>224.51</b>	168.23
Gross Profit	<b>20.71</b>	10.82
Less: Depreciation	<b>10.67</b>	8.21
Profit before extraordinary item and tax	<b>10.04</b>	2.61
Less: Extraordinary item	<b>0.49</b>	NIL
Profit before Tax	<b>9.55</b>	2.61
Less: Provision for Taxation		
Current Tax	0.68	0.17
Deferred Tax	<b>2.98</b>	NIL
	<b>3.66</b>	0.17
Profit after Tax	<b>5.89</b>	2.44
(Less)/Add:		
Adjustments relating to earlier years (Net)	<b>(0.07)</b>	(0.02)
(Short)/ Excess Provision of Income Tax for earlier year	<b>(0.10)</b>	0.13
	<b>5.72</b>	2.55
Add:		
Transferred from Debenture Redemption Reserve	<b>1.34</b>	NIL
Surplus brought forward from Previous year	<b>3.47</b>	2.49
	<b>10.53</b>	5.04
<b>SURPLUS AVAILABLE FOR APPROPRIATIONS:</b>		
Transfer to General Reserve	<b>6.36</b>	0.20
Transfer to Capital Profit Reserves (* Rs. 23,973)	<b>NIL</b>	NIL*
Proposed Dividend	<b>2.17</b>	1.24
(Current year subject to deduction of tax)		
Tax on Dividend	<b>NIL</b>	0.13
	<b>8.53</b>	1.57
Balance Carried Forward in Profit and Loss Account	<b>2.00</b>	3.47

**OPERATIONS:**

The Gross turnover and other income of your Company for the year ended 31<sup>st</sup> March, 2002, is higher at Rs.224.51 Crores as compared to Rs.168.23 Crores in the previous year, reflecting an increase of 33%. The gross profit is Rs.20.71 Crores as compared to Rs.10.82 Crores in the previous year, and consequently the profit after current as well as deferred tax is placed at Rs.5.89 Crores, as against Rs.2.44 Crores after current tax in the previous year.

Your Company operates in three different business segments, namely Manufacture of Coated (and un-coated) paper boards, Manufacture

of automobile tyres covering a wide range from 2/3 wheelers to trucks/tractors/off the road equipment applications, and also is a Processor of textile fabrics.

**PAPER DIVISION:**

The Paper and Paper Board plant basically operates in the "Coated Duplex/Triplex Boards" segment. The end use of the products of the Company, after the same is printed/converted by independent converters, are highly diversified and find applications in Pharmaceuticals, Toiletries, Cosmetics and Health Care products, Readymade Garments, Instant food products, Match Boxes, Agarbatty segments etc. As such, the applications of the Coated Boards are well diversified and ever expanding. This segment of the industry has witnessed a healthy growth over the past decade and is expected to continue to grow annually at a rate ranging exceeding 7%.

The production for the year under review was 37,845 M. Tons as against 22,374 M. Tons in the preceding year. The sales of the division for the year under review was Rs.77.24 Crores (37,888 M. Tons) as against Rs.50.17 Crores (21,236 M. Tons) in the previous year.

During April 2001, the Company has carried out certain modifications/modernisation in its Paper Plant, to achieve quality improvements, debottlenecking and cost reductions. Further upgradations are in progress and likely to be substantially completed by December, 2002. The complete modernisation scheme involves an estimated capital outlay of Rs.8.50 Crores, and would result into increase in the plant capacity to 54,000 M. Tons by March 2003, as against 36,000 M. Tons as on April 2001.

Your Company has been continuously adopting multi-pronged activities to be a competitive and low cost producer, and ever looks to maximize productivity of the available resources. Major emphasis has been on:-

- continuous working on cost reductions; with specific emphasis on costs of raw-materials and power and fuel.
- Investment in technologies with an intention to de-bottleneck the plant to become a low cost producer based on higher operating efficiencies.

**TYRE DIVISION :**

During the year under review, the production of Automobile Tyres has increased to 13,346 M.Tons as against 9,345 M.Tons in the previous year, reflecting an increase of 43%. The gross sales of the Division was higher at Rs.121.68 Crores as against Rs.88.03 Crores in the previous year. Also, the export realisations rose sharply to Rs.83.32 Crores as against Rs.39.31 Crores. During the year under review, the Company has spent Rs.18.00 Crores towards debottlenecking and for equipments to enable production of a wider product range.

Your Company continues to pay special emphasis on exports of its products. The Company's products are well accepted in the international markets. The Company mainly manufactures a very wide range of tyres for diversified and non-traditional applications for the fitments in construction equipments, material handling equipments, farm and forestry equipments, off the road applications etc.

You will be pleased to learn that the tyre plant at Waluj has received ISO 9001-2000 certification.

**TEXTILE PROCESSING DIVISION:**

During the year under review, the Division has earned Rs.23.85 Crores (171.66 lakhs meters) towards processing charges as compared to Rs.28.19 Crores (193.48 lakhs meters) in the previous year.

The textile industry has been undergoing a severe slump, and this has adversely affected the capacity utilisation of this Division. Your Company has undertaken various measures to increase the capacity utilisation of the plant, and expects a better utilisation of its capacity in the year 2002-03.

The Company has installed additional specialised hi-tech processing machineries during the financial year 2001-02, at a capital cost of Rs. 9.00 Crores, enabling it to further widen its product range.

**DIVIDEND:**

Your Directors are pleased to recommend a Dividend of 35% for the year, which will absorb Rs.2.17 Crores out of the surplus available for appropriation.

**DEBENTURES:**

The Company has utilised the proceeds of the Debentures for the purpose for which the same were raised and has not diverted the funds for any other purpose.

**DIRECTORS:**

Shri E.V.Hariharan, Director has resigned from the Board of the Company w.e.f. 12<sup>th</sup> February, 2002.

Your Directors record their deep appreciation for the valuable guidance received from Shri E.V.Hariharan during the course of his association with the Company.

Shri PawanKumar D.Podddar and Shri Yogeshkumar A.Mahansaria retire by rotation and being eligible, offer themselves for re-appointment. Necessary resolutions for their re-appointment are placed before the shareholders. Your Directors commend the resolutions.

**CORPORATE GOVERNANCE:**

Pursuant to clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion and Analysis, Corporate Governance Report and Auditors Certificate regarding Compliance of the same are made a part of this Annual Report.

**FIXED DEPOSITS:**

There were unclaimed deposits amounting to Rs.1,67,000/- which was deposited with Investor Education and Protection Fund in accordance with Section 205-C of the Companies Act, 1956.

**INDUSTRIAL RELATIONS:**

The relation with staff and workmen during the year under review continued to be cordial.

**PARTICULARS OF EMPLOYEES:**

Particulars of remuneration paid to the employees as required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, are given in the Annexure-I attached hereto and form part of the Report.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:**

Information pursuant to 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, is given in the Annexure-II to the Report.

**DEMATERIALISATION:**

The Company has entered into an arrangement with National Securities Depository Ltd. (NSDL) and Central Depository Services Ltd. (CDSL) for dematerialisation of its shares.

**RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the accounts for the financial year ended 31<sup>st</sup> March, 2002, the applicable accounting standards have been followed alongwith proper explanation relating to material department;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimated that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the Company for the year under review;
- (iii) That the Directors have taken proper and sufficient care for 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;
- (iv) That the Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March, 2002 on a "going concern" basis.

**AUDITORS:**

The members are requested to appoint Auditors from the conclusion of this meeting until the conclusion of the next Annual General Meeting and fix their remuneration.

**CAUTIONARY STATEMENTS:**

Certain statements in the Management Discussion and Analysis describing the Company's views about the Industry, expectations/predictions, objectives etc., may be forward looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed in the Statement. Company's operations may inter-alia affect with the supply and demand stipulations, input prices and their availability, changes in Government regulations, tax, loss and other factors such as Industrial relations and economic developments etc. Investors should bear the above in mind.

**APPRECIATION:**

Your Company is grateful for the continued co-operation and assistance extended to it by the Financial Institutions and Banks in meeting the financial requirements of the Company.

Your Directors also wish to place on record their warm appreciation for the services rendered by the employees and dealers of the Company.

For and on behalf of the Board of Directors

Mumbai,  
Dated: 28th June, 2002

**DHARAPRASAD PODDAR**  
Chairman



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## ANNEXURE-I

Statement containing information as per Section 217(2A) read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2002.

Sr. No.	Name	Age	Designation & nature of duties	Gross Remuneration (in Rs.)	Net Remuneration (in Rs.)	Qualification & Experience (Years)	Date of commencement of employment	Last employment held, designation & period
A. Employed throughout the financial year and were in receipt of remuneration in the aggregate of not less than Rs.24,00,000/-								
1.	Mr. A. P. Mahansaria	50	Managing Director	36,21,687	29,66,981	Inter Science (31)	01-04-1980	Shree Sitaram Dyg. & Ptg. Mills Pvt. Ltd.
2.	Mr. Y. A. Mahansaria	27	Executive Director	27,71,632	22,44,935	B.Com. (8)	01-04-1994	—
B. Employed for a part of the financial year and were in receipt of remuneration for any part of the year at the rate which (in aggregate) was not less than Rs. 2,00,000/- per month								
1.	Mr. P. D. Poddar	49	Joint Managing Director	24,79,912	20,06,040	B.Com. (27)	23-06-2001	Siyaram Silk Mills Ltd. Executive Director(20years)
2.	Mr. S. D. Poddar	38	Executive Director	10,36,359	8,86,359	B. Com. (20)	22-06-2001	Siyaram Silk Mills Ltd. Executive Director(9years)

- NOTES:
1. Appointment of Managing Director, Joint Managing Director and Executive Directors is for a period of five years. All other appointments are non-contractual and terminable by notice on either side.
  2. Mr. Ashokkumar P. Mahansaria, Vice Chairman and Managing Director, is a relative of Mr. Yogeshkumar A. Mahansaria, the Executive Director.  
Mr. Yogeshkumar A. Mahansaria, Executive Director, is a relative of Mr. Ashokkumar P. Mahansaria, the Vice Chairman and Managing Director.  
Mr. Pawankumar D. Poddar, Joint Managing Director, is a relative of Mr. Dharaprasad R. Poddar, the Chairman, and Mr. Shrikishan D. Poddar, the Executive Director.  
Mr. Shrikishan D. Poddar, Executive Director, is a relative of Mr. Dharaprasad R. Poddar, the Chairman, and Mr. Pawankumar D. Poddar, the Joint Managing Director.
  3. Gross Remuneration includes Salary, Commission, Leave Travel Allowance, Medical Reimbursement, House Rent Allowance and Contribution to Provident Fund, Superannuation Fund, Gratuity Fund, Gratuity/Provision for Gratuity, Personal Accident Insurance and Bonus/Exgratia wherever applicable.

For and on behalf of the Board of Directors

Mumbai,  
Dated: 28th June, 2002

**DHARAPRASAD PODDAR**  
Chairman

## ANNEXURE - II

INFORMATION AS PER SECTION 217(1)(e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2002.

## A. CONSERVATION OF ENERGY:

## (a) Energy conservation measures taken by the Company:

## (i) Electrical Energy:

Energy Audit by outside Consultants have been carried out in the earlier years at all the Plants of the Company and necessary follow-up actions are being continuously carried out.

Besides, regular monitoring of the overall energy consumption is also carried out during the year, and losses, if any, are identified and suitable improvements carried out.

## (ii) Coal/Fuel Oil Consumption:

The Company is carrying out regular maintainance of steam lines/steam traps and user equipments to ensure high efficiency levels throughout the year, and new improvements are reviewed regularly and implemented wherever found suitable.

## (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

The Company is reviewing various proposals for reduction in consumption of energy, mainly by way of replacement of existing equipments by modern and energy efficient equipments.

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

The various energy conservation measures detailed above adopted by the Company have resulted in savings in energy consumption as per information given in Form 'A'.

## (d) Total energy consumption and energy consumption per unit of production as per Form 'A' hereunder:



## FORM 'A'

## I. Power and fuel consumption:

	Current Year	Previous Year
1. Electricity		
(a) Purchased		
Units (KWH)	3,60,75,886	2,72,29,065
Total Amount (Rs.in lacs)	1,412.75	1,122.14
Rate/unit (Rs.)	3.92	4.12
(b) Own generation		
(i) Through Diesel Generator *		
Units (KWH)	8,18,557	17,200
Units per liter of diesel oil	2.71	2.80
Cost/unit (Rs.)	5.61	6.61
(ii) Through steam turbine/generator	NIL	NIL
* Includes consumption of diesel oil for regular weekly trials of Diesel Generating Set.		
2. Coal (specify quality and where used)		
The Company uses steam coal grade B/C in its Boilers		
Quantity (Tons)	12,633	6,567
Total Amount (Rs.in lacs)	291.00	142.02
Average rate (Rs.)	2,303	2,163
3. Furnace Oil/L.D.O.		
Quantity (K. Ltrs.)	8,501	7,979
Total amount (Rs. in lacs)	824.45	836.20
Average rate (Rs.) (Net of Modvat, wherever applicable)	9,698	10,480
4. RICE HUSK		
Quantity (Tons)	621	NIL
Total amount (Rs. in lacs)	10.85	NIL
Average rate (Rs.)	1,747	NIL

## II. Consumption per unit of production \*

	Current year				Previous year			
	Electricity (KWH)	Coal (Kgs)	Furnace Oil (Ltr)	Rice Husk (Kgs)	Electricity (KWH)	Coal (Kgs)	Furnace Oil (Ltr)	Rice Husk (Kgs)
(a) Paper/Paper Board (MT)	496	322	028	NIL	597	293	054	NIL
(b) Automobile Tyres (MT)	898	NIL	281	0.05	905	NIL	257	NIL
(c) Cloth Processing (000' Mtrs.)	357	26	230	NIL	279	NIL	226	NIL

\* Note: The Company manufactures a wide range of products and the consumption of energy will vary significantly depending upon the actual product-mix for the period.

## B. TECHNOLOGY ABSORPTION:

(a) Efforts made in technology absorption as per Form 'B':

## FORM 'B'

## I. Research and development (R &amp; D):

- Specific areas in which R & D carried out by the Company:  
Product and quality improvement, development of new designs/products, cost control and energy conservation.
- Benefits derived as a result of the above R & D:  
The R & D activities have resulted in conserving of scarce raw materials, higher productivity and containing the costs all around.
- Future plan of action:  
Water and energy conservation, development of new designs of tyres, further improvement in-process technology and product mix.
- Expenditure on R & D (Rs. in lacs):
  - Capital : NIL
  - Recurring : 19.78
  - Total : 19.78

## II. Technology absorption, adaptation and innovation:

- Efforts, in brief, made towards technology absorption, adaptation and innovation:



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The Company has been developing in-house modification/improvements in Process Technology in its various manufacturing sections - which, when found suitable, are integrated into the regular manufacturing operation.

2. Benefits derived as a result of the above efforts:
  - (a) Quality improvement.
  - (b) Energy conservation.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:

NIL

### C. Foreign exchange earnings and outgo:

- (a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans;
  - (i) Due to the high costs of Raw Materials, Power & Fuel etc., generally our (Indian) Paper/Paper Boards are not competitive in the International markets. However, the Boards manufactured by the Company are extensively used for packaging of various consumer products for exports.
  - (ii) The export of Tyres and Tubes during the year amounted to Rs.8,323 lacs as against Rs.3,930 lacs during the previous year. The products of the Company are well established in the international market and the Company expects to further improve its performance in the export segment.
  - (iii) At the Textile Processing Plant, the Company only undertakes processing of cloth on job basis for other parties.
- (b) Total foreign exchange used and earned (Rs. in lacs)  
Used: Rs. 4,186    Earned : Rs. 8,369

For and on behalf of the Board of Directors

Mumbai,  
Dated: 28th June, 2002

**DHARAPRASAD PODDAR**  
Chairman

