

CENTURY ENKA LIMITED



36th Annual Report 2001-02

FINANCIAL HIGHLIGHTS

OPERATING RESULTS

(Rupees in Lacs)

	2001-02	2000-01	1999 - 00	1998-99	1997-98
INCOME					
Sales	89153	96020	93791	76093	72949
Other Income	2633	1454	582	1265	1163
	91786	97474	94373	77358	74112
Less: Excise Duty	18283	19404	19652	17519	16608
	73503	78070	74721	59839	57504
EXPENDITURE					
Materials & Overheads (+/- Stock Adj.)	59583	64170	62099	48622	49699
PROFIT BEFORE INTEREST	13920	13900	12622	11217	7805
Less : Interest (Net)	965	2148	2441	3353	3403
GROSS PROFIT	12955	11752	10181	7864	4402
Less : Current Depreciation (Net)	3871	4198	4405	4360	3815
Less : Additional Depreciation	3611	—	—	—	—
Less : Current Tax (Net)	421	507	575	(106)	(193)
Less : Deferred Tax	1600	—	—	—	—
NET PROFIT	3452	7047	5201	3610	780
DIVIDEND (%)	60%	50%	40%	25%	18%
EARNINGS PER SHARE (Rs.)	11.69	23.48	17.33	12.03	2.60
CASH EARNINGS PER SHARE (Rs.)	37.02	37.48	32.01	26.56	15.31

SOURCE AND APPLICATION OF FUNDS

(Rupees in Lacs)

	2001-02	2000-01	1999-00	1998-99	1997-98
SOURCE OF FUNDS					
Shareholders' Funds					
Share Capital	2864	3001	3001	3001	3001
Reserves & Surplus (including Revaluation)	42262	49979	44607	40759	38002
	45126	52980	47608	43760	41003
Loan Funds	11270	19587	29193	37515	40829
Funds Employed	56396	72567	76801	81275	81832
APPLICATION OF FUNDS					
Fixed Assets (Gross)	115638	112816	112947	113082	111595
Depreciation	60390	54748	50907	46976	43226
Fixed Assets (Net)	55248	58068	62040	66106	68369
Investments	306	397	1195	409	413
Current Assets (Net)	11042	14102	13566	14760	13050
Net Deferred Tax Liability	(10200)	—	—	—	—
Net Assets Employed	56396	72567	76801	81275	81832

Thirty-Sixth Annual Report 2001-02 CENTURY ENKA LIMITED

BOARD OF DIRECTORS

Mr. B. K. Birla
 Mr. Peter Wack
(Alternate : Mr R A Shah)
 Mr. P. A. J. Grimmelikhuisen
(Alternate : Mr. K. R. V. Subrahmanian)
 Mr. B. S. Mehta
 Mr. V. Dixit
 Mr. D. Y. Gaitonde

MANAGER OF THE COMPANY & SENIOR PRESIDENT

Mr. G. M. Singhvi

SECRETARY

Mr. C. B. Gagrani

AUDITORS

Messrs. Price Waterhouse

SOLICITORS

Messrs. Crawford Bayley & Co.

BANKERS

Bank of Maharashtra	Punjab National Bank
State Bank of India	ABN AMRO Bank NV
Citibank N A	UTI Bank Limited

REGISTERED OFFICE

Birla Building, 7th Floor
 9/1, R. N. Mukherjee Road
 Kolkata - 700 001
 Tel No. 033 - 243 6003
 Fax No. 033 - 243 6005

HEAD OFFICE

'Bakhtawar'
 7th Floor, Nariman Point
 Mumbai - 400 021.
 Tel No. 022 - 202 7375
 Fax No. 022 - 287 3952

SHARE DEPARTMENT

Bhosarigaon, MIDC Area,
 Pune - 411 026.
 Tel No. (020) 7120423
 Fax No. (020) 7120113
 E-Mail : sharpune@centuryenka.com

FACTORIES

Bhosari, Pune - 411 026	Rajashree Polyfil
Tel No. 020 - 712 0423/712 2503	Rajashree Nagar, Post:Umalla-393120, Dist.:Bharuch
Fax No. 020 - 7120113	Tel No. 02645 - 34438 to 34444
	Fax No. 02645 - 34395

Konkan Synthetic Fibres - Processed Yarn Unit
 Plot No. C-61, Part-A, MIDC Area,
 Mahad - 402 309, Dist. Raigad
 Tel No. 02145 - 32136
 Fax No. 02145 - 32142

Konkan Synthetic Fibres - POY Unit
 Plot No. C-61, Part-B, MIDC Area
 Mahad - 402 309, Dist. Raigad
 Tel No. 02145 - 32141
 Fax No. 02145 - 32360

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NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Thirty-Sixth Annual General Meeting of the Shareholders of CENTURY ENKA LIMITED will be held at Kala Kunj, 48, Shakespeare Sarani, Kolkata - 700 017 on Monday, the 1st July, 2002 at 10.00 A.M. to transact the following business:

ORDINARY BUSINESS

1. To consider the Report of the Auditors and Directors and to receive, consider and adopt the Audited Statements of Accounts for the year ended 31st March, 2002.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. B. K. Birla who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. D. Y. Gaitonde who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without modification the following resolution.

AS ORDINARY RESOLUTION

"RESOLVED THAT pursuant to Section 309 and Section 310 and other applicable provisions, if any, of the Companies Act, 1956 and Schedule XIII to the said Act as amended from time to time and in partial modification of the Resolution passed in 35th Annual General Meeting held on 20th June, 2001, the consent of the Company be and is hereby accorded to the following change in the terms and conditions of perquisites of Mr. G.M. Singhvi.

After clause (xi) following clause be inserted with effect from 1st July, 2000 :

Clause (xii)- Ex-gratia payment as per Company's policy."

By Order of the Board
C B Gagrani
Secretary

Place : Mumbai
Dated : 2nd May, 2002

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. The Register of Members and Share Transfer Register of the Company will remain closed from Tuesday, the 11th June, 2002 to Thursday, the 20th June, 2002, both days inclusive.
3. The payment of dividend, if declared at the said meeting, will be made to those shareholders whose names shall appear on the Company's Register of Members on 20th June, 2002 or to their nominees. In respect of shareholding in dematerialised form, dividend will be paid to the beneficial owners as per the list provided by the Depositories on that date. Dividend Warrants will be despatched on or after 4th July, 2002.
4. Members desirous of getting any information about the accounts and operation of the Company are requested to address their query to the Secretary at the Registered Office well in advance so that the same may reach him atleast 10 days before the date of the meeting to enable the management to keep the required information readily available at the meeting.
5. (i) The unclaimed dividend upto financial years 1994-95 have been transferred to the General Revenue Account of the Central Government in terms of the provisions of Section 205A of the Companies Act, 1956. Those shareholders who have so far not claimed their dividend for the financial years upto 1994-95 may claim their dividend from the Registrar of Companies, West Bengal by submitting an application in the prescribed form.
(ii) Those members who have not encashed/received dividend warrants for the financial years 1995-96 to 2000-01 may return the time barred dividend warrants or write to Share Department, Century Enka Ltd., Bhosari, Pune - 411 026 for issue of duplicate dividend warrants.
(iii) Pursuant to the provisions of Section 205A of the

Companies Act, 1956, as amended, dividend for the financial year 1995-96 and thereafter which remain unpaid/unclaimed for a period of 7 (seven) years will be transferred to the Investor Education and Protection Fund constituted by the Central Government under Section 205C of the Companies Act, 1956.

It may kindly be noted that once the unpaid/unclaimed dividend is transferred to the Central Government, as above, no claim shall lie in respect thereof.

6. Shareholders who intend to file Tax Exemption Certificates issued by Income-tax Officer or declaration in Form No. 15G (in duplicate) under Section 197A of the Income-tax Act, 1961 are requested to forward the same to reach Company's Share Department before 20th June, 2002 in order to get the dividend without deduction of tax at source. Shareholders whose income exceed the maximum amount not chargeable to Income-tax are not entitled to submit Form 15G as per Section 197A(1B) of the Income-tax Act, 1961.
7. Shareholders may avail the facility of Electronic Clearing Service (ECS) for receiving direct credit of dividend to their accounts with Banks. This will enable expeditious credit of dividend amount and protect from loss, theft and postal delay of dividend warrants. Bank details may be given in the proforma annexed herewith to the Company.
8. In terms of provisions of Section 109A of the Companies Act, 1956, nomination facility is now available to individual shareholder. The shareholders who are desirous of availing this facility may kindly write to Share Department, Century Enka Ltd., Bhosari, Pune - 411 026, Tel. No. (020) 7120423, Fax No. (020) 7120113 for nomination form quoting their folio number.
9. Members who are holding shares in identical order of names in more than one folio, are requested to write to the Company's Share Department at the address mentioned hereinabove in Note 8 to consolidate their holdings in one folio.
10. Members are requested to notify change in address, if any, to the Company's Share Department at the address mentioned hereinabove in Note 8 quoting their folio number.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**Item No. 6**

Mr. G.M. Singhvi has been appointed as Manager of the Company as defined in Section 2(24) of the Companies Act, 1956 ("the Act") with effect from 1st July, 2000. The terms and conditions of appointment and remuneration of Mr. G.M. Singhvi has been approved by the members in the 35th Annual General Meeting held on 20th June, 2001 with the liberty to the Board of Directors to alter from time to time the terms and conditions of the appointment in such manner as may be agreed upon between the Directors and Mr. G.M. Singhvi in the best interest of the Company but subject to the provisions of the Act and Schedule XIII to the Act, as amended from time to time.

As per Company's policy, staff of the Company are paid yearly ex-gratia. The terms of appointment of Mr. G.M. Singhvi does not have provisions for ex-gratia payment.

The Board of Directors, subject to approval of the shareholders, has amended the terms of his appointment to give ex-gratia as per Company's policy with effect from 1st July, 2000 (being the date of his appointment as Manager). Accordingly an ex-gratia payment amounting to Rs. 0.86 lacs has been made to Mr. G.M. Singhvi for the period 1st July, 2000 (being the date of his appointment as Manager) to 31st March, 2001.

As per the provisions of the Act and Schedule XIII, such amendment in his perquisites will require approval by the shareholders.

The Board therefore, recommend the shareholders' approval of this item of the accompanying notice.

None of the Directors of the Company is concerned or interested in passing of this resolution.

DIRECTORS' REPORT**FOR THE YEAR ENDED 31ST MARCH, 2002**

Dear Shareholders,

We have pleasure in presenting the 36th Annual Report and Audited Statements of Accounts of the Company for the year ended 31st March, 2002. The year in retrospect was characterised by global economic slow down with sluggishness and recession in domestic economy. The situation was further compounded by disturbances arising out of terrorist attack, cross border tensions, disturbances/riots particularly in the state of Gujarat etc. Your Company endeavoured to face these challenges but suffered set back in Industrial Yarn/Fabric business segment. In the context of such adverse circumstances, we hope you will find the performance of your Company satisfactory.

FINANCIAL RESULTS

	Rs./Crores	
	This Year	Previous Year
Income from Operations	991.53	960.20
Profit before interest, Depreciation and Taxation	121.53	139.00
Add/ (Less) :		
Profit on sale of shares of Centak Chemicals Ltd.	17.67	-
Interest (Net)	(9.66)	(21.48)
Depreciation: Current	(38.70)	(41.98)
Additional (on account of retrospective recomputation due to change in method)	(36.11)	-
Taxation : Current (Net)	(4.21)	(5.07)
Deferred	(16.00)	-
Net Profit	34.52	70.47
Add : Balance brought forward from previous year	25.43	25.42
Transfer from/(to) Debenture Redemption Reserve	(1.50)	66.08
Transfer to Capital Redemption Reserve	(1.36)	-
Profit available for appropriation	57.09	161.97
Less: Dividend	17.19	15.01
Tax on Dividend	-	1.53
General Reserve	5.00	120.00
Balance carried forward to next year	34.90	25.43

Although sales increased by 6.5% in volume (tonnage), the turnover was less by 7.2%. This was mainly due to lower sales prices consequent to reduction in raw material prices. The interest cost reduced substantially on account of repayments, restructuring and replacement of debts.

The sale of shares held by your Company in Centak Chemicals Ltd. as reported last year, to the co-promoter Akzo Nobel Chemicals International BV, The Netherlands was completed during the year resulting in a Capital Gain of Rs.17.67 Crores.

Deferred tax of Rs.16.00 crores has been provided for the current year as required under the Accounting Standard 22 issued by

the Institute of Chartered Accountants of India. The accumulated net deferred tax of Rs. 86.00 crores relating to previous years has been adjusted against General Reserve in accordance with the said Accounting Standard.

Change in method of Depreciation

Technological advances and obsolescence has eroded the book values of existing Plant & Machinery, particularly at Pune and Mahad plants. To represent the realistic value of such Plant & Machinery in the books of accounts, the method of providing depreciation on Plant & Machinery commissioned at Pune and Mahad plants upto 31st March, 1997 has been changed from Straight Line Method to Written Down Value Method. The depreciation in respect of such Plant & Machinery has been recomputed from the date of commissioning and the additional depreciation of Rs. 36.11 crores on account of retrospective recomputation has been charged to Profit and Loss Account in this year in accordance with the Accounting Standard 6.

The Plant & Machinery installed after 31st March, 1997 are in line with the latest technology and therefore their value appearing is realistic.

SCHEME OF ARRANGEMENT

Pursuant to the Scheme of Arrangement as approved by you and subsequently sanctioned by the Hon'ble High Court at Kolkata, 13,62,182 Nos. Equity Shares of Rs.10/- each held in small lots were cancelled and in lieu thereof, equal number of 12% Secured Redeemable Cumulative Non-convertible Debentures of Rs.71/- each were issued and allotted. Consequently, the Issued, Subscribed and Paid-up Equity Share Capital of your Company has come down from Rs.3000.59 Lacs to Rs.2864.37 Lacs.

DIVIDEND

We recommend a dividend of Rs.6.00 per Equity Share of Rs.10/- each for the year ended 31st March, 2002 on 2,86,43,698 Equity Shares of Rs.10/- each subject to deduction of tax at source despite lower operating profits (excluding receipt of Rs.17.67 Crores as Capital Gain on sale of Shares). Previous year Rs.5.00 per Equity Share on 3,00,05,880 Equity Shares of Rs.10/- each was paid as dividend.

Necessary provision of Rs.17.19 crores has been made.

COURSE OF BUSINESS AND OUTLOOK

As required under Corporate Governance, the Management's Discussion and Analysis Report which is forming a part of this report, is a reflection of the current state of business. It also deals with the opportunities and challenges faced by your Company and the outlook in near future.

The raw material prices have already started firming up. The pressure on selling prices is expected to continue due to threat from imports. Since your Company is pursuing cost cutting measures and improving efficiencies in manufacturing areas, barring unforeseen circumstances, the performance is expected to be reasonably good.

EXPANSION & MODERNISATION

During the year two new Draw Warpers have been installed at Mahad and the same are working satisfactorily.

The first phase of modernisation scheme involving replacement of old machinery in Nylon Industrial Fabric conversion facilities with new machinery of latest technology is progressing satisfactorily and is expected to be completed by October 2002. It would also result in improved labour efficiency. The Management is preparing schemes for the second phase.

The conversion of Power Generating sets for using alternate fuel at Pune and Bharuch has resulted in substantial saving in fuel cost. Further schemes have been worked out to convert the remaining Power Generating sets in phases at Bharuch plant. In addition, various other debottlenecking and cost control schemes are being actively pursued by the Company.

In addition to modernisation, your Company is also contemplating to undertake expansion of production capacities.

ENVIRONMENT AND HUMAN RESOURCE DEVELOPMENT

The Management's Discussion and Analysis also includes your Company's policy on Safety, Environment & Pollution Control and also on Human Resource Development. We would like to place on record our appreciation for the efforts made by the Management and the keen interest taken by the employees of the Company in continual improvement projects and responding to the call of changing environment.

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

Energy conservation measures, progress made in technology absorption and foreign exchange earnings and outgo, as required by the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 are set out in a separate statement attached hereto and forming part of the report.

CORPORATE GOVERNANCE

Your Company is fully committed to the philosophy of conducting its business with due compliance of laws, rules and regulations. The sound Internal Control and efficient Management Information Systems which play a pivotal role in Corporate Governance, are in place in your Company.

We are pleased to inform you that your Company has implemented all the stipulations on Corporate Governance prescribed by SEBI. The certificate of the Statutory Auditors dated 2nd May, 2002 in line with clause 49 of the Stock Exchange Listing Agreement supports our claim. This certificate is annexed to and forms a part of the Directors' Report.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956 and on the basis of explanation and compliance certificate given by the executives of the Company and subject to disclosures in the Annual Accounts and also on the basis of discussions with the Statutory Auditors of the Company from time to time, we state as under:

- i) that in the preparation of the annual accounts, the applicable accounting standards had been followed;
- ii) that the directors had selected such accounting policies and applied them consistently and made judgments 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 profit of the Company for that period;
- iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the directors had prepared the annual accounts on a going concern basis.

DIRECTORS

On repayment of borrowings, ICICI withdrew its nominee director, Mr. V.R. Mehta, from the Board of your Company. The Directors have placed on record their appreciation of the valuable advice and guidance provided by him.

In accordance with the Articles of Association of the Company, Mr. B.K. Birla and Mr. D.Y. Gaitonde will retire by rotation and being eligible offer themselves for reappointment.

AUDITORS

Messrs. Price Waterhouse, the Auditors of the Company, will retire from the office of the Auditors and being eligible offer themselves for reappointment. Their remuneration for the current year is to be fixed by you.

COST AUDITORS

The cost accounts records maintained by your Company for both the products – Polyester and Nylon are subject to yearly audit by the qualified Cost Auditors. Your Company has appointed M/s. N.I. Mehta & Co., a qualified Cost Auditors firm for conducting the audit of cost accounts records for the financial year 2001-02.

PARTICULARS OF EMPLOYEES

Details of remuneration paid to employees as required by Section 217(2A) of the Companies Act, 1956 are set out in a separate statement attached hereto and forming part of the report.

For and on behalf of the Board of Directors

B.K. Birla
Peter Wack
Directors

Place : Mumbai
Date : 2nd May, 2002

ANNEXURE TO THE DIRECTORS' REPORT

(Additional information given in terms of Notification 1029 of 31.12.1988 issued by the Department of Company Affairs).

A) CONSERVATION OF ENERGY

After having implemented the viable proposals from the energy re-audits carried out at Pune and Mahad sites, a re-audit was also organised for Bharuch site. At Pune plant, where there are large number of chemical process operations, a process energy audit was also done through a competent agency.

Recommendations of the above audits are at various stages of implementation. The technical teams at all the plants also continued to generate new proposals through in-house interaction.

An insulation Audit was also done for high temperature equipments and pipelines.

a) Energy Conservation Measures taken:

- 1) Installation of variable frequency drive on boiler F.D. fan and cooling tower fan.
- 2) Reduction in generating pressure of various compressed air streams by proper upkeep of compressors and optimisation of loading/ unloading pattern.
- 3) Replacement of old intermingling jets with new energy efficient jets on additional machines.
- 4) Reduction in insulation losses through close monitoring and revamping.
- 5) Part substitution of electrical heating in polymerisation columns by steam based lactam preheating.
- 6) Replacement of a conventional air washer with cell type air washer
- 7) Introduction of enthalpy control system in air handling units.
- 8) Substitution of electrical heating in selected AHU's with steam heating.
- 9) Stoppage of NTC dryer hall air conditioning system and installation of a window airconditioner for the control panels.
- 10) Replacement of additionally identified inefficient pumps.
- 11) Reduction in steam consumption in lactam recovery through optimisation of reflux.
- 12) Timer based lighting control in unmanned areas.
- 13) Use of no wear fluid for lubrication in ETP aerator gear box.
- 14) Effective utilisation of preheating stoves leading to stoppage of one stove.
- 15) Introduction of low wattage Asean E+ tube light fittings and replacement of 70W HPSV lamps with 22 Watt CFL fittings and lowering of tube light fixtures wherever possible.
- 16) Retrofitting of existing aspirator guns to make them energy efficient.
- 17) Installation of timer based control in few window airconditioners.
- 18) Installation of a rectifying column in depoly vapour line thereby increasing the lactam concentration in depo condensate.
- 19) Conversion of power generation set for using alternate cheaper fuel.

b) Additional Investment & Proposals, if any, being implemented for conservation of Energy :

- 1) Steam turbine in place of a PRV (Pressure Reducing Valve) to simultaneously generate electric power while reducing steam pressure.
- 2) Substitution of electrical heating in Polymerisation columns by fuel fired heating.
- 3) Replacement of column packings in recovery unit to make the operations more energy efficient.
- 4) Introduction of a cooling water based heat exchanger in the strand cooling circulation system of poly columns thereby reducing the load on chilled water system.
- 5) Introduction of Enthalpy based control in the remaining air handling units.
- 6) Modification of static aspirators on winding machines to make them energy efficient.
- 7) Installation of VFD (Variable Frequency Drive) on the balance cooling tower fans.
- 8) Installation of new air compressors of matching pressure rating for the already segregated low and high pressure air streams.

B) TECHNOLOGY ABSORPTION**a) Research & Development (R&D)****(1) Specific areas in which R & D is carried out by the Company:**

- Process development and optimisation with a view to increase productivity, improve efficiency and product quality, achieve cost reduction etc.
- Development of new products and find new applications for existing products.
- Import substitution.

(2) Benefits derived as a result of the above R & D :

- Increase in productivity and better consistent product quality.
- Introduction of several new products in Polyamide Textile Yarns and Polyester specialties.
- Continued substitution of imported components, chemicals, catalysts etc. resulting in cost reduction.

(3) Future plan of action :

Increased efforts for development of new type of yarns and applications to meet changing requirements of customers.

(4) Expenditure on R & D :

	<u>Rs./lacs</u>
(i) Capital	Nil
(ii) Recurring	<u>43.31</u>
(iii) Total	<u>43.31</u>
(iv) Total R & D expenditure as a percentage of total turnover	0.05%

b) Technology absorption, adaptation and innovation**(1) Efforts in brief, made towards technology absorption, adaptation and innovation:**

Modifications of process, equipment and products are carried out to suit changes in market requirements and to improve operational efficiency.

(2) Benefits derived as a result of above efforts:

Increase in production, development of new products and applications and cost reduction.

ANNEXURE TO THE DIRECTORS' REPORT (CONTD.)**(C) INFORMATION REGARDING IMPORTED TECHNOLOGY**

(Imported during the last 5 years from the beginning of the Financial year)

(a) Technology Imported	(b) Year of Import	(c) Technology Absorption
Know-how and state of the art technology for manufacture of Nylon Industrial Yarn, Tyre Yarn / Tyrecord / Tyrecord Fabric based on integrated SDW process.	1996 - 97	Continuous access to technical know-how including all improvements, innovations and significant break-through during the period of the agreements are provided.
Technical Know-how, Process Know-how and Engineering of plants for continuous poly-condensation and direct spinning of Polyester.	1996 - 97	Continuous access to improvements related process and equipment, technical solutions and break-through developments during the period of the agreement.
Technical & Process Know-how and Engineering for production of Polyester Filaments Yarns.	1996 - 97	Continuous access to improvements related process and equipment, technical solutions and break-through developments during the period of the agreement.
Know-how and state of the art technology pertaining to the manufacture of Polyester and Nylon Textile Filament Yarns, Polyester and Nylon Industrial Yarns, Tyrecord and Tyrecord Fabric.	2000 - 01	Continuous access to technical know-how including all improvements, innovations and significant break-through during the period of the agreement.
Know-how and state of the art technology pertaining to the manufacture of Polyester and Nylon Textile Filament Yarns, Polyester and Nylon Industrial Yarns, Tyre cord and Tyrecord Fabric.	2001 - 02	Continuous access to technical know-how including all improvements, innovations and significant break-through during the period of the agreement.

(D) FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on Foreign Exchange Earnings and Outgo is contained in Schedule I items 19 (b), (c), (d) and (e) in Notes on Accounts .

(PURSUANT TO SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956)**FORM - A**

(See Rule 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	Current Year 2001-02	Previous Year 2000-01		Current Year 2001-02	Previous Year 2000-01
A. POWER AND FUEL CONSUMPTION					
1. Electricity			3. Nitrogen		
(a) Purchased			Units (NM ³)	2341460	2291742
Units (KWH)	119386265	117363395	Total Amount (Rs. in Lacs)	32.61	35.20
Total Amount (Rs. in Lacs)	4372.26	4474.73	Cost per unit (Rs.)	1.39	1.54
Rate per Unit (Rs.)	3.66	3.81			
(b) Own Generation			B. ENERGY CONSUMPTION PER UNIT OF PRODUCTION		
Through diesel generators			Products (With Details) Unit		
Units (KWH)	55496127	51328366	1. Electricity (Kwh/Ton of Product)		
Units per Litre of fuel oil	3.90	3.82	(a) Synthetic Textile Yarns	2066	2216
Cost per unit (Rs.)	3.10	3.23	(b) Industrial Yarn/Fabric	4436	4321
(c) L.D.O./F.O.			(c) Polyester Chips	142	151
(For Own Generation)			2. Furnace Oil/LSHS (Ltrs/Ton of Product)		
Quantity (Litres)	14229509	13419773	(For Steam Generation)		
Total Amount (Rs. in Lacs)	1650.37	1563.11	(a) Synthetic Textile Yarns	72	68
Rate/Unit (Rs.)	11.60	11.65	(b) Industrial Yarn/Fabric	315	305
2. Furnace Oil/L.S.H.S./L.D.O.			(c) Polyester Chips	79	87
(For Steam Generation)			3. Nitrogen (NM ³ /Ton of Product)		
Quantity (Litres)	7711476	8309860	(a) Synthetic Textile Yarns	26	36
Total Amount (Rs. in Lacs)	720.33	834.32	(b) Industrial Yarn/Fabric	32	30
Rate/Unit (Rs.)	9.34	10.04	(c) Polyester Chips	9	11
STEAM (COST PER TON)					
Units (Ton)	127351	127792			
Units per ton of fuel	16.51	15.38			
Cost per unit (Rs.)	557	659			

ANNEXURE TO THE DIRECTORS' REPORT (CONTD.)

STATEMENT CONTAINING INFORMATION AS PER SECTION 217(2A) READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2002

Name, Designation/Nature of Duties, Remuneration Received (Rs.), Qualification, Experience (Years), Date of Commencement of employment, Age(Years), Last Employment held.

- (a) Employed throughout the year and were in receipt of remuneration for the year in aggregate of not less than Rs.12,00,000.
G.M. Singhvi, Manager U/s. 269 of the Companies Act, 1956 and Senior President, 16,86,988, B.Com., LL.B., F.C.A., 36, 11.9.1997, 60, in practice as Chartered Accountant.
- (b) Employed for part of the year and were in receipt of remuneration at the rate of not less than Rs.1,00,000/- per month.

NIL

NOTES:

1. Remuneration includes salaries, house rent, medical reimbursement, hospitalisation, leave travel assistance, Company's Contribution to Provident & Superannuation Funds and the monetary value of perquisites calculated in accordance with the provisions of the Income-tax Act, 1961 and the Rules made thereunder and excludes terminal payments and contribution to approved Gratuity Fund.
2. Nature of Employment - Contractual.
3. Other Terms and Conditions:
 - (i) One month/three months' notice on either side,
 - (ii) Gratuity (As per Company's scheme).
- 4 The above employee is not a relative of any Director of the Company.

For and on behalf of the Board of Directors
B. K. Birla
Peter Wack
 Directors

Place : Mumbai
 Date : 2nd May, 2002


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ANNEXURE TO THE DIRECTORS' REPORT (CONTD.)

STATEMENT CONTAINING INFORMATION AS PER SECTION 217(2A) READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2002

Name, Designation/Nature of Duties, Remuneration Received (Rs.), Qualification, Experience (Years), Date of Commencement of employment, Age(Years), Last Employment held.

- (a) Employed throughout the year and were in receipt of remuneration for the year in aggregate of not less than Rs.12,00,000.
G.M. Singhvi, Manager U/s. 269 of the Companies Act, 1956 and Senior President, 16,86,988, B.Com., LL.B., F.C.A., 36, 11.9.1997, 60, in practice as Chartered Accountant.
- (b) Employed for part of the year and were in receipt of remuneration at the rate of not less than Rs.1,00,000/- per month.

NIL

NOTES:

1. Remuneration includes salaries, house rent, medical reimbursement, hospitalisation, leave travel assistance, Company's Contribution to Provident & Superannuation Funds and the monetary value of perquisites calculated in accordance with the provisions of the Income-tax Act, 1961 and the Rules made thereunder and excludes terminal payments and contribution to approved Gratuity Fund.
2. Nature of Employment - Contractual.
3. Other Terms and Conditions:
 - (i) One month/three months' notice on either side,
 - (ii) Gratuity (As per Company's scheme).
- 4 The above employee is not a relative of any Director of the Company.

Place : Mumbai
Date : 2nd May, 2002

For and on behalf of the Board of Directors
B. K. Birla
Peter Wack
Directors

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