

COLOUR-CHEM LIMITED

43rd Annual Report & Accounts 1999-2000

Report Junct

CONTENTS

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| NOTICE. | 1 1 |
|--|-----|
| DIRECTORS' REPORT TO THE MEMBERS | 15 |
| ANNEXURES TO THE DIRECTORS' REPORT | 19 |
| THE CHAIRMAN'S STATEMENT | 21 |
| FINANCIAL PERFORMANCE - 10 YEAR'S HIGHLIGHTS | 23 |
| DISTRIBUTION OF INCOME 1999-2000 | 24 |
| AUDITORS' REPORT TO THE MEMBERS | 25 |
| BALANCE SHEET | 28 |
| PROFIT AND LOSS ACCOUNT | 29 |
| SCHEDULES TO BALANCE SHEET | 30 |
| SCHEDULES TO PROFIT AND LOSS ACCOUNT | 36 |
| Notes | 38 |
| CASH-FLOW STATEMENT | 45 |
| STATEMENT RELATING TO THE SUBSIDIARY COMPANIES | 46 |
| DIRECTORS' REPORT AND ACCOUNTS OF | |
| VANAVIL DYES AND CHEMICALS LIMITED | 47 |
| DIRECTORS' REPORT AND ACCOUNTS OF | 7.0 |
| Kundalika Investments Limited | 70 |



DIRECTORS

DR U CUNTZE (CHAIRMAN)
DR R HANDTE
MR R A SHAH
MR K R V SUBRAHMANIAN
MR H K BILPODIWALA
MR K J BHARUCHA
(VICE-CHAIRMAN & MANAGING DIRECTOR)
DR R SERGIO
DR U KUERSCHNER
MR P R RASTOGI
MR V RAMANUJAM
(GENERAL MANAGER - LEGAL & COMPANY SECRETARY)

EXECUTIVE COMMITTEE

MR K J BHARUCHA DR R SERGIO DR U KUERSCHNER DR G G PATKAR MR M THOMAS MR S C SACHDEV MR P V KALAWAR MR C N BHARUCHA

AUDITORS

A F FERGUSON & CO CHARTERED ACCOUNTANTS

SOLICITORS

Report

CRAWFORD BAYLEY & CO

BANKERS

STATE BANK OF INDIA
BANK OF AMERICA N.T. & S.A.
CITIBANK N.A.
DEUTSCHE BANK
THE HONGKONG & SHANGHAI BANKING CORPN LTD
HDEC BANK LTD

REGISTERED OFFICE

RAVINDRA ANNEXE 194, CHURCHGATE RECLAMATION MUMBAI 400 020

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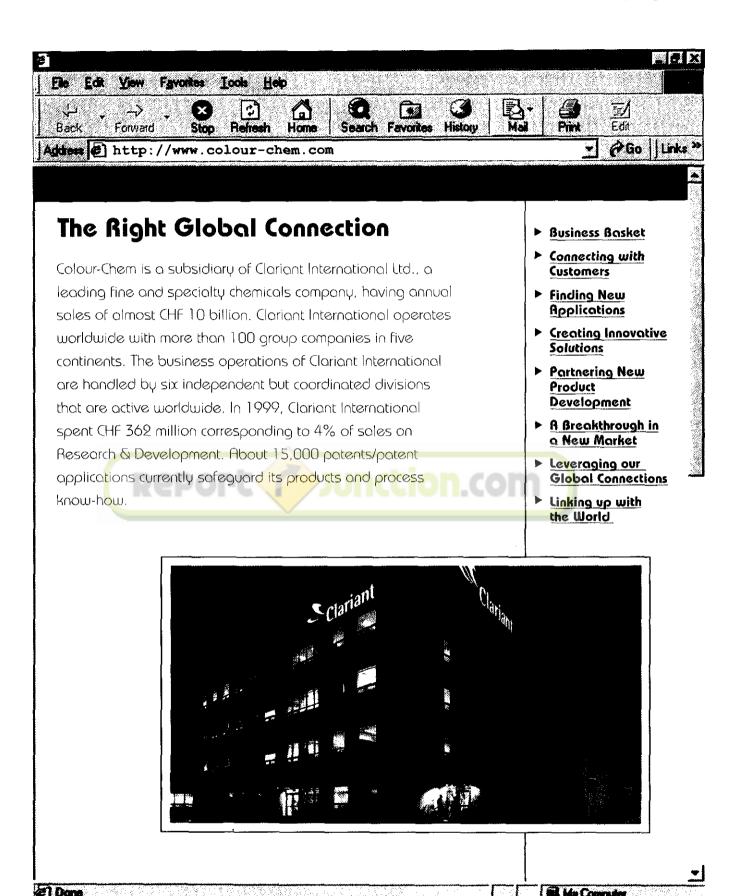
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ROHR WORKS

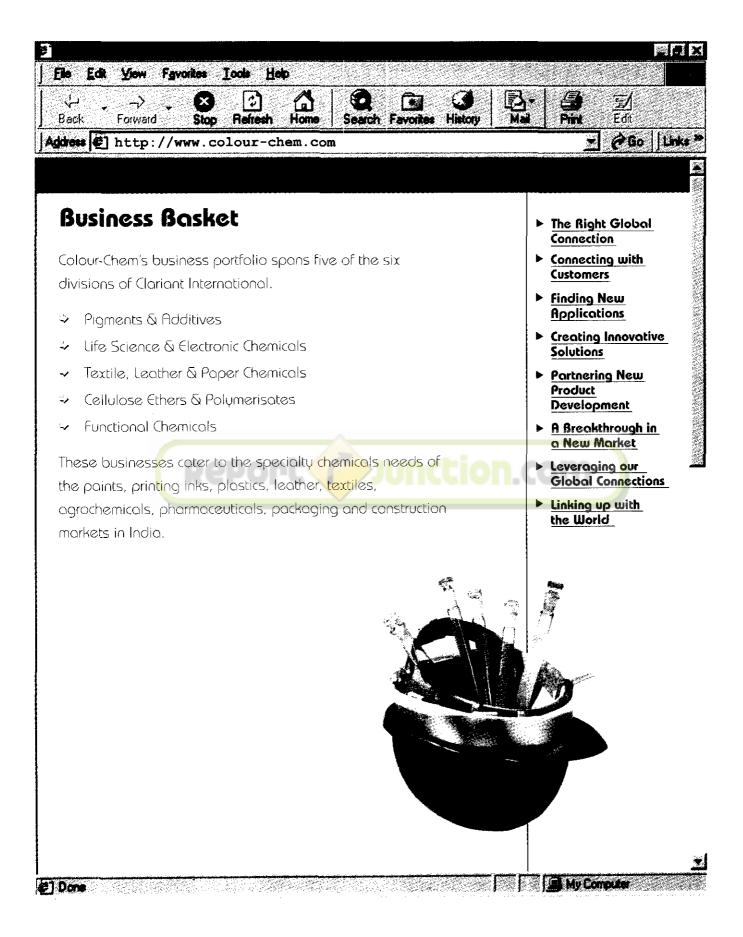
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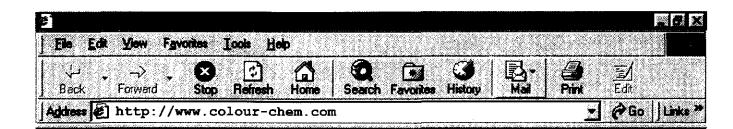












Connecting with Customers

Colour-Chem's formidable knowledge and contact base built over four decades of serving Indian markets has made it the partner of choice for customers from diverse markets.

Colour-Chem has been accorded most preferred supplier by the three most important automotive paint manufacturers. Our team worked closely with these paint customers to introduce products that enhance value to their offerings to the automotive sector. We succeeded in penetrating both the OEM and Refinish segments of the paints market, firmly establishing ourself as the leading supplier of High Performance Pigments ex-Clariant Gmbh sales range, as well as phthalocyanine pigments ex-Colour-Chem sales range. In addition, Colour-Chem has supplied Azo pigments for colouring the interior accessories — such as the dashboard made from PVC/ ABS, the upholstery of artificial foam leather (mainly PVC) and for colouring the polyether-polyurethane filler foams.

In the recent past, a quantum jump in the business of Dope dyes for dyeing of viscose rayon has been achieved. India is a leading producer of viscose and our esteemed customers of this industry have exhibited significant confidence in our ability to serve and innovate to meet their quality demands. We have worked hand-in-hand with viscose manufacturers over the last three decades to establish ourselves as a leading supplier of pigment

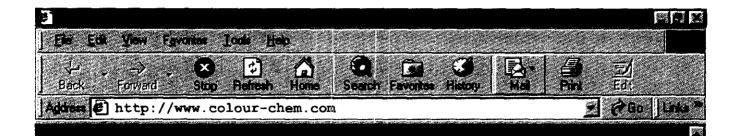
- ► The Right Global Connection
- ▶ Business Basket
- Finding New Applications
- Creating Innovative Solutions
- Partnering New Product
 Development
- ► A Breakthrough in a New Market
- Leveraging our Global Connections
- Linking up with the World



preparations.







Finding New Applications

In digital colour printing, Colour-Chem's CEP division has found a new niche market for some of its products. The rapidly growing use of computers and digital cameras have opened up an excellent future for printing systems in general and for lnk Jet systems in particular. This system is easy to operate and is becoming increasingly popular for obtaining high quality reproduction.

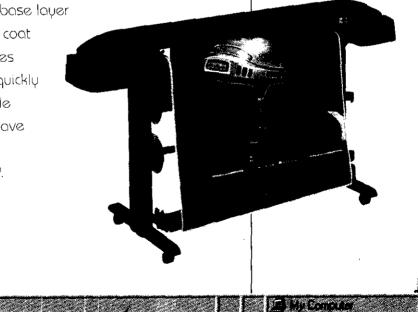
The main substrate used by this system consists of a coated paper or film. Paper is used for office equipment, printing posters, labels, postcards, packaging and photographs.

Films are used for posters meant for exteriors, OHP Slides, labels etc. In a few instances cloth is used for curtains and flags.

Currently, these coated papers and films are not available in India and have to be imported from Japan.

The coatings consist of a cationic base layer given as a middle coat and a top coat of high gloss finish with micro pores which allow the ink to penetrate quickly and evenly. These coatings enable photograph quality printing and have good prospect for use in modern printers like Epson, Canon and HP.

- ► The Right Global Connection
- ▶ Business Basket
- Connecting with Customers
- Creating InnovativeSolutions
- Partnering New Product
 Development
- ► A Breakthrough in a New Market
- Leveraging our Global Connections
- Linking up with the World







Creating Innovative Solutions

Colour-Chem works closely with customers to anticipate their needs and respond creatively with products that add value.

The Textile Chemicals team has studied the needs of the garment sector in the light of emerging fashion trends and developed a range of products and processes that offer value to the customers. It offers several products that aid performance during the dueing and finishing stages of denim processing viz. dispersing and sequestering agents, cationic softeners which make the fabric soft and supple and microamino silicones, which impart a handle which is both soft and crisp enabling excellent drape. Its greatest success has been the introduction of Pigment Dueing of knitted and woven garments by the Exhaust method — a process developed in-house. Colour-Chem intends to propagate this method also for re-dueing blue denim into different colours. The process is unique, adds value for the customer and calls for the use of a package of textile auxiliaries from

The exhaust method of pigment dyeing has many advantages, chief of which is the ability to offer a variety of shades including fluorescent colours, thus offering customers a wider choice. Garments dyed with pigments exhibit better fastness to light and chlorine, as compared to those dyed with Reactive dyes. Pigment dyeing also offers saving in time, water, energy usage and labour, all of which reduce costs and make the customer's products more competitive.

- ► The Right Global Connection
- Business Basket
- Customers
- Finding New Applications
- Product
 Development
- ► A Breakthrough in a New Market
- Leveraging our Global Connections
- Linking up with the World



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the company's range.

My Computer





Partnering New Product Development

Colour-Chem's close relationship with its customers enables it to partner in product, process and application development work. Water based printing inks have rapidly become the industry standard for Flexographic printing. For many years now it has been known that solvent based inks are not environment friendly and all new "green" technology has aimed at reducing volatile organic compound emmissions in inks. However, water does not dry as rapidly as organic solvents calling for new drying techniques and placing new demands on the resins (the binder materials). Developing these products took more than a decade of teamwork with customers to develop water based flexo and gravure inks for tetrapack printing.

The results are now being harvested. Leading ink manufacturers have already introduced water based inks and Colour-Chem has kept pace with a full range of pigments and pigment preparations for this application.

- ► The Right Global Connection
- ▶ Business Basket
- Connecting with Customers
- ► <u>finding New</u> Applications
- Creating InnovativeSolutions
- ► A Breakthrough in a New Market
- Leveraging our Global Connections
- Linking up with the World







A Breakthrough in a New Market

Within a year of commencing business, Colour-Chem's Functional Chemicals Division has succeeded in identifying a key niche market for some of its products. Till recently, bulk drug manufacturers in India have been using commodity solvents for specific reactions. The Functional Chemicals team studied the pharmaceutical sector to shortlist the enterprises that undertake research to develop new processes and to identify the specific reactions they carry out. The team then worked closely with the R&D Departments of these companies and persuaded them to rework their old processes/develop new processes, based on the Clariant range of glycol ethers for Grignard reactions and phase transfer catalysis.

The result - today, Colour-Chem is the sole supplier of glycol ethers to major pharmaceutical units who are focusing on developing new products for new applications for niche markets. A growth rate of 100% in the short term is projected for these products.

- ► The Right Global Connection
- ▶ Business Basket
- Connecting with Customers
- Finding New Repolications
- Creating InnovativeSolutions
- Partnering New Product
 Development
- Leveraging ourGlobal Connections
- Linking up with the World

