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Annual Report 2004-2005
Colour-Chem Limited

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DIRECTORS

Mr. P. Lindner – Chairman

Mr. R. A. Shah

Mr. K. R. V. Subrahmanian

Mr. H. K. Bilpodiwala

Mr. K. J. Bharucha – Vice-Chairman & Managing Director

Mr. P. R. Rastogi

Mr. Sunil K. Nayak

Chief Financial Officer & Company Secretary

EXECUTIVE COMMITTEE

Mr. K. J. Bharucha

Dr. G. G. Patkar

Mr. S. C. Sachdev

Mr. P. V. Kalawar

Mr. C. N. Bharucha

Dr. S. Siddhan

Dr. G. V. G. Rao

Mr. Sunil K. Nayak

AUDITORS

A. F. Ferguson & Co., Chartered Accountants

INTERNAL AUDITORS

Mahajan & Aibara, Chartered Accountants

SOLICITORS

Crawford Bayley & Co.

BANKERS

State Bank of India

Citibank N.A.

The Hongkong & Shanghai Banking Corpn. Ltd.

HDFC Bank Ltd.

REGISTERED OFFICE

Ravindra Annexe

194, Churchgate Reclamation

Mumbai-400 020

THANE WORKS

Mumbai-Agra Road

Balkum Village

Thane-400 608

ROHA WORKS

113/114 MIDC Industrial Area

A.V.P.O. Dhatav, Taluka-Roha

District - Raigad 402 116

Notice

NOTICE is hereby given that the FORTY-EIGHTH ANNUAL GENERAL MEETING of COLOUR-CHEM LIMITED will be held at the Y.B. Chavan Auditorium, General Jagannath Bhosale Marg, Next to Mantralaya Gymkhana, Mumbai - 400 021 on Thursday, 28th July, 2005 at 4.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2005, the Balance Sheet as at that date and to consider the Reports of the Directors and Auditors thereon.
2. To declare a dividend for the year 2004-2005.
3. To appoint a Director in place of Mr. P. Lindner who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. K.R.V. Subrahmanian, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of the forty-eighth Annual General Meeting until the conclusion of the forty-ninth Annual General Meeting at a remuneration to be decided by the Board of Directors.

SPECIAL BUSINESS

6. To consider, and, if thought fit, to pass the following Resolution, with or without modification, as an Ordinary Resolution:

"RESOLVED THAT subject to the provisions of Section 198, Section 309 and other applicable provisions of the Companies Act, 1956 (the "Act") and Rule 10B of the Companies (Central Government's) General Rules & Forms, 1956 (the "Rules") and Article 116 of Articles of Association of the Company, the Company hereby approves the payment of sitting fee of Rs. 5,000/- (Rupees five thousand only) or such sum not exceeding the limits prescribed by Rule 10B of the Rules as amended from time to time, to the Directors for attending the meetings of the Board of Directors or the committees thereof; and

RESOLVED FURTHER THAT the Company Secretary be and is hereby authorised to take necessary and effective steps to execute the same pursuant to clause 49 of the Listing Agreements with the Stock Exchanges as amended upto date".

7. To consider, and, if thought fit, to pass the following Resolution, with or without modification, as a Special Resolution:

"RESOLVED THAT subject to the provisions of Section 198, Section 309 and other applicable provisions of the

Companies Act, 1956 (the "Act") and Rule 10B of the Companies (Central Governments) General Rules & Forms (the "Rules") and Article 116 of Articles of Association of the Company, the Company hereby approves the payment of commission payable to the non-executive Directors, including independent Directors, as may be determined by the Board of Directors having regard to the performance and profits of the Company from year to year; and

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, usual or expedient to give effect to this resolution".

8. To consider, and, if thought fit, to pass the following Resolution, with or without modification, as a Special Resolution:

"RESOLVED that pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification thereto or any re-enactment thereof for the time being in force ("the Act"), the Articles of Association of the Company be and are hereby altered by deleting Article 13, 60, 110 and 158 of the Company's Articles of Association; and

RESOLVED FURTHER that for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to execute all such documents and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient and proper".

NOTES:

- (a) The relative explanatory statement, pursuant to Section 173 of the Companies Act, 1956, in respect of the special business under Item No. 6, No. 7 and No. 8 set out above is hereto annexed.
- (b) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER.
- (c) The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 14th July, 2005 to Thursday, 28th July, 2005 (both days inclusive).
- (d) The dividend on shares as recommended by the Board of Directors, if declared at the meeting, will be payable to those members whose names appear
 - (i) as members in the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company or its Registrars on or before 13th July, 2005; and

(ii) as Beneficial Owners as at the end of the business on 13th July, 2005, as per the list to be furnished by National Securities Depository Limited and/or Central Depository Services (India) Limited in respect of the shares held in electronic form.

(e) Members are requested to notify immediately any change in their address to their Depository Participants (DPs) in respect of their holdings in electronic form and to the Company/to the Registrars & Share Transfer Agents, M/s. Sharepro Services (India) Pvt. Ltd. (Unit: Colour-Chem Ltd.), Satam Estate, 3rd Floor, above Bank of Baroda, Chakala, Andheri East, Mumbai-400 099 in respect of their holdings in physical form.

(f) In respect of members who have given mandate for payment of dividend through Electronic Clearing Service (ECS), the dividend will be paid through ECS and their bank account details will be printed on their dividend advices.

(g) In accordance with the provisions of Section 205A of the Companies Act, 1956, the Company has, from time to time, transferred the unclaimed dividends relating to the years upto and including 1994-95 to the General Revenue Account of the Central Government. Members who have a valid claim to any amount being the dividend unclaimed by them, pertaining to the period upto and including 1994-95, may claim the same from the Registrar of Companies, Maharashtra, in the prescribed manner.

In terms of Section 205A (5) of the Act, unpaid or unclaimed dividend for the year 1996-97 lying in the Unpaid Dividend 1996-97 Account and Interim dividend

for the year 1997-98, lying in the Unpaid Interim Dividend 1997-98 Account of the Company, were transferred to the Investors Education and Protection Fund established by the Central Government pursuant to sub-section (1) of Section 205C of the Act, in September and October, 2004 respectively.

Individual intimation has been given, from time to time, to those members whose claim for payment of unclaimed dividend still lies against the Company and such members are requested to seek an early settlement of such claims for the periods 1997-98 to 2003-2004. Members may please note that no claim of the transferred unclaimed/unpaid dividend shall lie against the Investors Education and Protection Fund of the Central Government or the Company upon transfer of the amounts to the Fund.

(h) Disclosure pursuant to Clause 49VIA of the Listing Agreement with respect to Directors seeking re-appointment at the forthcoming Annual General Meeting is given in Corporate Governance Report.

By Order of the Board of Directors,

Sunil K. Nayak
Chief Financial Officer & Company Secretary

Mumbai, 26th May, 2005

Registered Office:
Ravindra Annexe
194, Churchgate Reclamation
Mumbai - 400 020.

Explanatory Statement

As required by Section 173 of the Act the following explanatory statement sets out all the material facts relating to Items No. 6, 7 and 8 of the accompanying Notice dated 26th May, 2005:

Item Nos. 6 and 7

Pursuant to the amendments to the clause 49 of the Listing Agreement and its implementation, inter alia, in respect of payment of sitting fees to be paid to the Directors for attending the meetings of the Board or the committees thereof, and the commission payable to the Directors, within the limits prescribed by the Companies Act, 1956 the applicable rules and the Articles of Association of the company, will be payable with prior approval of the members of the Company at the General Meeting of the Company.

With the postponement of the implementation of the amendment till December, 2005, it will be in order to have prior approval of Members at the Annual General Meeting for making the aforesaid payments in respect of the sitting fees and commission to be paid after 1st January, 2006 till the next Annual General Meeting.

Mr. R. A. Shah, Mr. K. R. V. Subrahmanian and Mr. H. K. Bilpodiwala may be deemed to be interested to the extent of sitting fees and commission payable to them. Mr. K. J. Bharucha may be deemed to be interested to the extent of commission payable to him.

Item No. 8

Since the transfer of 50.1% shares of Colour-Chem Limited held by Hoechst AG to EBITO Chemiebetteilungen AG the Articles No. 13,110 and 158 relating to Hoechst AG became redundant. Also pursuant to repeal of the Estate Duty Act, 1953 the Article 60 of the Articles of Association becomes redundant. The Board, therefore, recommends that the Special Resolution at Item No. 8 of the Notice be passed.

A copy of the existing Articles of Association of the Company together with a copy of the proposed alteration referred to in the Resolution at Item No. 8 of the Notice will be open for inspection by the members at the Registered Office of the Company between 10 a.m. to 12 noon on any working day of the Company until the date of the Annual General Meeting or any adjournment thereof.

None of the Directors of the Company are concerned or interested in the said Resolution at Item No. 8 of the Notice.

By Order of the Board of Directors,

Sunil K. Nayak
Chief Financial Officer & Company Secretary

Mumbai, 26th May, 2005

Registered Office:

Ravindra Annexe

194, Churchgate Reclamation

Mumbai - 400 020.

Directors' Report to the Members

The Directors present herewith their Forty-eighth Annual Report and the Audited Statement of Accounts of the Company for the year ended 31st March, 2005.

FINANCIAL RESULTS

2. The financial results are indicated below in brief:

	2004-2005 Rupees lakhs	Previous Year Rupees lakhs
Turnover	37299.21	38460.47
Other Income	2424.50	8473.40
	39723.71	46933.87
Profit before Prior Period Items, Interest, Depreciation and Tax	5027.75	4082.02
Interest	(302.26)	(281.71)
Depreciation	(1146.84)	(1305.15)
Profit before Prior Period Items & Taxation	3578.65	2495.16
Provision for Taxation		
— Current Tax	(760.00)	(940.00)
— Deferred Tax	(563.84)	1801.87
— Short provision for taxation in respect of earlier years	(46.14)	—
Profit before Prior Period Items and after Tax	2208.67	3357.03
Prior Period Items	(650.00)	—
Net Profit after Prior Period Items & Taxation	1558.67	3357.03
Balance brought forward from previous year	3101.36	2032.89
Amount available for appropriation	4660.03	5389.92
The Directors have made the following appropriations therefrom:		
(a) General Reserve	1000.00	1500.00
(b) Proposed Dividend	699.00	699.00
(c) Corporate Tax on Proposed Dividend	98.03	89.56
leaving a balance to be carried forward of	2863.00	3101.36
	4660.03	5389.92

DIVIDEND

3. The Board of Directors has recommended a dividend of Rs. 6/- per equity share of the face value of Rs. 10/- for the year ended 31st March, 2005 (Previous year – Rs. 6/- per share).

ACCOUNTS AND FINANCE

Term Loan

4. No long term loan was taken during the year.

Sales Tax Deferred Loan

5. Under the Sales Tax incentives scheme of the Government of Maharashtra, the Company is allowed to defer its payment of Sales tax aggregating to Rs. 1237.13 lakhs for a period of ten years, payable in five equal installments thereafter.

During the year under review, the Company has availed of the credit of Rs. 378.82 lakhs (Previous year – Rs. 366.93 lakhs) under this scheme. Accordingly the entire credit of Rs. 810.00 lakhs available against the second eligibility certificate was exhausted.

Further, in terms of a notification issued by the Government of Maharashtra, the Company is allowed to repay such deferred sales tax liabilities at the Net Present Value (NPV). The Company therefore extinguished the deferred sales tax liability of Rs. 378.82 lakhs (Previous year – Rs. 858.31 lakhs) by repaying at its Net Present Value (NPV) of Rs. 101.11 lakhs (Previous year – Rs. 253.57 lakhs) and accounted a gain of Rs. 277.71 lakhs (Previous year – Rs. 604.74 lakhs) in the year.

Fixed Deposits

6. As at 31st March, 2005, an aggregate of Rs. 1.86 lakhs representing 29 deposits had remained unpaid pending instructions from the depositors concerned. Since that date, three deposits of an aggregate amount of Rs. 0.13 lakh have been repaid. The Company has neither renewed nor accepted fresh deposits during the year.

As per requirements of Section 205C of the Companies Act, 1956 the fixed deposits and interest unclaimed after completion of a period of seven years is transferred to the Investor Education & Protection Fund (IEPF) established by the Central Government. There is no amount due and outstanding to be credited to the Investor Education and Protection Fund.

Credit Rating

7. (a) The Credit Rating Information Services of India Limited (CRISIL) has reaffirmed the highest rating (P1+) to the Company's Commercial Paper/short term debt programme of Rs. 3000 lakhs.
- (b) In respect of the Company's Non-Convertible Debenture programme of Rs. 2000 lakhs, CRISIL has reaffirmed a rating of "AA" with stable outlook.

Directors' Report to the Members (contd.)

MANAGEMENT DISCUSSION & ANALYSIS

8. Industry Structure and Development

Colour-Chem manufactures a wide range of Specialty Chemicals encompassing several different chemical sectors and catering to the needs of markets spanning a large and diverse industry spectrum.

(a) Intermediates and Colours

Colour-Chem manufactures intermediates for agro-chemicals, pharmaceuticals and colorants. The Company is an acknowledged leader in the area of diketene chemistry and has the capacity to manufacture large volumes of this important building block in a wide range of derivative forms. It is therefore the pre-eminent player in the sector of diketene based intermediates in India.

Colour-Chem is also the leading organic pigments producer in the country and serves the needs of the paints, printing inks, plastics, rubber, detergents, cosmetics and other industries. Overall, the pigment industry is characterized by a high degree of fragmentation and excess capacity which has resulted in aggressive competition and considerable pressure on gross margins, both in the domestic and overseas markets. The Company has successfully explored new applications for its products and thereby added several new markets such as detergents, cosmetics and agriculture to widen its customer base and improve capacity utilization. It has also rationalized its production facilities and consequently reduced costs.

(b) Specialty Chemicals

This segment of the business caters to the textiles, leather, paints, construction, packaging and numerous other industries that consume a large variety of functional and performance chemicals.

The industrial segments related to textile and leather chemicals have several players both in the organized and small scale sectors. Colour-Chem ranks amongst the top five players in both these industries. In the recent past, several multinational companies have set up their business of leather chemicals in India resulting in an increasingly competitive environment. Following the dismantling of the Multi Fiber Agreement (MFA) the textile industry is hopeful of achieving 15-18% growth. India's strength in the quota free regime lies in high-end value-added products such as embroidered garments and ethnic clothes. The Planning Commission estimates that about Rs. 90,000 crores have to be invested over the next three to five years to bring the industry to global scale.

The export of leather and leather products has grown from a meager Rs. 28 crores in 1956 to Rs. 9624 crores in 2003-2004. From being an exporter of raw hides and skins, the country has moved to exports of value added finished products. The industry has undergone a major structural change and has been able to garner a share of 2.95% of the global leather trade. Currently, the industry occupies 8th position in terms of Foreign Exchange Earnings of the country.

Colour-Chem has successfully entered the field of specialty chemicals to primarily cater to niche applications. These specialties enhance the performance characteristics of a variety of products such as detergents, plastics, personal care products, construction, packaging, metal working and oil exploration.

9. Opportunities

Companies the world over are beginning to look to India as a source of cost efficient supplies. The global pharmaceutical business of Clariant in particular has evinced keen interest in India. In the case of this business, change is also being driven by the customer, with Indian pharmaceutical companies urging Clariant to make the best use of its production capacities in India. A good beginning has been made with the transfer of the production of a variety of intermediates for use by the pharmaceutical and agro-chemical sectors from Clariant GmbH to Colour-Chem's Roha site. Colour-Chem has invested in a new multi step facility which provides an opportunity to match European quality and capabilities with globally competitive costs. However, the margins in such a venture will be very competitive. Being a multipurpose plant it will also manufacture items for the Functional Chemicals division of the Company. The success of this has provided an opportunity to showcase the Company's project management skills in meeting time, cost and quality targets and demonstrate its manufacturing capabilities. Consolidation of production activities at Roha has resulted in tangible cost-reduction, thereby making Colour-Chem globally competitive for future expansion.

The market for automotive paints and decorative paints is growing rapidly and the reduction in import duties will spur the indent business for high-performance, eco-friendly and international-quality pigments and additives. To capitalize on this demand, Colour-Chem's Pigments & Additives Division has launched a range of pigment preparations (Hostatints) which can be used for water based and solvent based systems. Availability of preparations based on inorganic pigments as a part of the Hostatint range will result in opportunities for light-fast and weather-fast exterior paint application.

The abolition of the quota system for the export of textiles with effect from 2005 will present a good opportunity for textile auxiliaries which can look forward to double digit annual growth. The domestic Indian market is also slated to grow manifold from the present \$21bn. to \$32bn. in 2008.

In Laminating Adhesives, a new range of solvent free products will be introduced shortly. The know-how update has already been successfully transferred and production is scheduled to commence shortly. We have been particularly successful in the business of Biocides for personal care products, Brake fluids and Solvents. A growth rate of 10% is expected from Personal Care products from urban areas in India.

10. Threats, Risks and Concerns

The spiraling price of crude oil has resulted in an unprecedented increase in raw material costs which is causing a squeeze on margins as, given the highly competitive situation in various businesses, it is not possible to pass on a proportionate price increase to customers. Infrastructural bottlenecks and congestion at Indian ports leading to delays in export shipments are cause for concern. Being a "dollar" denominated country, export realization has been dwindling due to the weakening of the USD against INR.

Price resistance in the local market accompanied by the continuous spiraling of raw material and input costs has relentlessly squeezed margins in the Pigments business. Raw material cost absorption has reached a critical level with customers resisting to accept any further price increase. A leading customer who had undertaken backward integration into pigment manufacturing has set up a capacity for manufacture of 20,000 tonnes of commodity pigments. Reduction in the prices of cotton and polyester are likely to impact the demand for viscose fiber which will translate into a lower demand for our dope dyes.

11. Segment-wise Performance

Colour-Chem continues to be the leader in the organic pigments business in India. During the year, overall sales were satisfactory with domestic sales being prominent in the Coatings and Specialties segments and manufacturing exports showing a significant upward trend. Demand from the Plastics and Printing markets was however sluggish.

The Textile and Leather business registered an overall growth of 12% over the previous year. In textiles, the sizing, specialty finishes and pre-treatment segments achieved growth rates in excess of 40% while the dyeing and printing segments maintained their market position. Many new products were introduced in the textile chemicals range enabling the Company to keep its market share despite severe competition in the printing segment.

The Leather business registered a growth of 12% over the previous year.

- Finishing registered an impressive growth of 18% over the previous year.
- Syntans and Fat Liquors registered a growth of 11% over the previous year.
- Export Business registered a growth of 5% over the previous year.

In spite of tough competition from an MNC which has started local production, the laminating adhesives business performed well. Several new locally developed products have been successfully launched in the Indian market.

12. Outlook

The outlook is reasonably good despite a very competitive situation in the market. The demand for pigments and additives will remain buoyant provided the prices are competitive. While the quality of our pigments is world-class, the domestic customer looks for "fit-to-use" quality for his application at the lowest price. Restructuring of production activities and cost reduction initiatives taken during the year have resulted in Roha becoming a competitive site for pigments.

There is good opportunity for servicing customers of the Life Science businesses out of India provided that the additional cost on account of higher crude oil prices and duties can be offset by the several internal cost saving measures that are being implemented. Division LSC is planning increased access in pharma and agro markets with a combination of commodity high value products in speciality niche molecules for synthesis.

The Indian leather industry is poised for long term prosperity and sustained growth. There has been an ongoing emphasis on the optimum utilization of raw materials, manpower and other resources for maximizing the returns with regard to augmenting exports. The Government has allowed 100% FDI in joint ventures, duty free import of raw materials, establishing of design studios and similar facilities.

There is also good opportunity in the personal products markets of the Functional Chemicals division. The start up of local production in the multipurpose plant at the Roha site will provide a local manufacturing base for this business in India.

13. Internal Control Systems and their adequacy

The Company has effective internal control systems commensurate with the size of the Company. This is further supplemented by an internal audit being carried out by an external firm of Chartered Accountants. The internal auditor conducts audits of the performance of various departments, functions and locations and also statutory compliances based on an annual audit plan. They report their observations/recommendations to the Audit Committee of the Board of Directors which comprises

Directors' Report to the Members (contd.)

three non-executive Directors. The Audit Committee reviews the audit observations and follows up on the implementation of the suggestions and remedial measures and also recommends increased scope of coverage, if necessary.

14. Financial and Operational performance

(i) Highlights of Financial Performance:

Item	2004-05	2003-04	Change (%)
	Rs. lakhs		
Turnover	37299.21	38460.47	-3.02
Other Income *	2424.50	8473.40	-71.39
Sub-total	39723.71	46933.87	-15.36
Total Expenditure (excluding interest)	35842.80	44157.00	-18.83
Profit before Prior Period Items, Interest and Tax	3880.91	2776.87	39.76
Operating margin	9.77%	5.92%	
Profit after Tax **	1558.67	3357.03	-53.57
Return on capital Employed	18.82%	15.80%	
Inventory Turnover – Times	6.93	7.83	
Current Ratio	1.65	1.63	
Debt : Equity Ratio	0.20	0.07	

* Other Income mainly includes (a) Profit on Sale of fixed assets including flats and land – Rs. 470 lakhs previous year Rs. 4856.19 lakhs, (b) Reimbursement of Remnant cost Rs. NIL previous year Rs. 1263.20 lakhs and (c) Remission of deferred sales tax and central sales tax Rs. 277.71 lakhs previous year Rs. 604.74 lakhs.

** (a) Profit after tax for the current year is after adjustment of Prior Period Items amounting to Rs. 650 lakhs arising out of the addendum entered into with the purchasers in respect of the Sale of Land at Thane.

(b) Profit after tax for the previous year includes the deferred tax credit of Rs. 1451.95 lakhs being the effect on tax due to temporary timing difference on allowability of VRS expenses for tax purpose.

(ii) Operational Performance (2004-2005)

The sales turnover for the year decreased by 3.02% to Rs. 37299.21 lakhs as compared to Rs. 38460.47 lakhs in the previous year mainly due to lower trading sales.

Operating margins increased to 9.77% from 5.92% in the previous year mainly due to gains from the Company's ongoing internal restructuring and downsizing initiatives. Exports during the year decreased marginally to Rs. 9542.97 lakhs as against Rs. 10392.66 lakhs in the previous year. An optimum utilisation of capital has ensured lower cost of capital and an improved return on investment. The Company's financial strength – short term as well as long term is reflected in its strong Current Ratio and its Debt Equity Ratio.

Cautionary Statement

Statements in this Report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied because of various factors like Government policy, competition, exchange rate fluctuation etc.

15. Human Resources & Industrial Relations

The Company had 796 employees on its rolls as on 31st March, 2005.

As a part of the Company's efforts to rationalize and restructure its manufacturing operations, the Company had offered a Voluntary Retirement Scheme to its employees based at Thane, Head Office and the Branches. During 2004-2005, 39 employees left the Company under the Scheme.

The Company signed a settlement with the Colour-Chem Employees' Union, Thane on 15th July, 2004 in respect of the Charter of Demands submitted by the Union for revision of wages and service conditions of workmen at Thane.

Good cooperation from the Unions resulted in unprecedented levels of productivity being achieved at both Thane and Roha during the year.

The Management continued its efforts to accelerate Management Development through training, development, job rotation, succession planning, etc. and took the initiative to organize a "Leadership Development Programme" for senior managers.

Foreign Exchange Earnings and Outgo

16. The foreign exchange earnings of the Company amounted to Rs. 10454.63 lakhs (Previous year Rs. 11373.05 lakhs). The net foreign exchange earnings of the Company after deducting outflow on all accounts, amounted to Rs. 4496.26 lakhs against Rs. 4138.79 lakhs in the previous year.

Capital Expenditure Projects

17. During the year under review the Company incurred an aggregate capital expenditure of Rs. 2243.28 lakhs.

Safety and Ecology

18. Due to the rapid changes that have taken place at both the factories at Thane and Roha, a more systematic planned futuristic approach was undertaken by the Company as regards safety and protection of the environment. The Company persevered with its determined efforts of preserving the environment, and with its goals of having greener production at both its units. Ways and means of recycling of treated waste water, reducing solid waste and proper scrubbing of waste gases are continuously being explored so that the environment can be suitably protected.