



# THE DHARAMSI MORARJI CHEMICAL COMPANY LTD.

*81st Annual Report 2000 - 2001*

**Directors**

R.M.Goculdas	Chairman
Laxmikumar N.Goculdas	Vice Chairman
D.S.Parekh	Alternate Director to Laxmikumar N.Goculdas
S.N.Desai	
U.D.Morari (Smt.)	
M.D.Goculdas	
S.M.Thakore	
H.T.Kapadia	
S.R.Chougule	Nominee of ICICI
M.Raghayendra	Nominee of GIC
V.K.Punshi	Managing Director
D.N.Vaze	Executive Director (Finance)
Dilip P.Goculdas	Whole-time Director

**Secretary**

D.T.Gokhale

**Auditors**K.S.Aiyar & Co.  
Chartered Accountants**Legal Advisers**

Bhaishanker Kanga &amp; Girdharlal

**Bankers**State Bank of India  
Dena Bank  
BNP Paribas  
SBI Commerical and International Bank Ltd.  
HDFC Bank Ltd.  
KBC Bank n.v. India and South Asia**Registered Office**Prospect Chambers,  
317/21, Dr.Dadabhoy Naoroji Road,  
Fort, Mumbai - 400 001.**Factories**Ambernath (Maharashtra)  
Roha (Maharashtra)  
Kumhari (Chattisgarh)  
Jhar (Gujarat)  
Khemli (Rajasthan)**Registrars and Transfer Agents**IIT Corporate Services Ltd.  
IIT House, Off M.Vasanji Road,  
Opp. Vazir Glass, Near J.B.Nagar,  
Andheri (E), Mumbai 400 059**CONTENTS**

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**EIGHTYFIRST ANNUAL REPORT 2000-2001****Notice To Members**

The Eighty First Annual General Meeting of the Members of THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED will be held at the M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, Kaikhushru Dubash Marg, (Behind Prince of Wales Museum), Mumbai 400 001, on **Wednesday, the 19th day of September, 2001 at 11.30 a.m.** to transact the following business :

1. To receive and adopt the Directors' Report and Audited Statements of Account for the year ended 31st March, 2001.
2. To ratify the payment of interim dividend on Preference Shares by the Board of Directors .
3. To declare a Dividend on Equity Shares.
4. To appoint a Director in place of Shri S.N.Desai, who retires by rotation under Article 135 of the Articles of Association of the Company, but being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri S.M. Thakore, who retires by rotation under Article 135 of the Articles of Association of the Company, but being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Shri M.D. Goculdas, who retires by rotation under Article 135 of the Articles of Association of the Company, but being eligible, offers himself for re-appointment.
7. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution :  

"RESOLVED THAT Messrs. K.S. Aiyar & Co., Chartered Accountants, be and are hereby re-appointed as Auditors of the Company to hold Office from the conclusion of the 81st Annual General Meeting until the conclusion of the 82nd Annual General Meeting on a remuneration to be fixed by the Board of Directors and that any travel and out-of-pocket expenses incurred in the conduct of the audit of the factories be reimbursed to them by the Company."
8. To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:  

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to the mortgaging and/or charging by the Board of Directors of the Company, all immovable and movable properties of the Company (including the movable and immovable properties of erstwhile Udaipur Phosphates & Fertilisers Ltd.), both present and future and the whole of the undertaking of the Company to the extent and subject to limitation as may be mutually agreed by and between the Company and the Financial Institutions/Banks/Consortium of Banks/ Trustees for the Debentureholders to secure all or any of the credit facilities such as loan, debentures and/or advances and other credit facilities already obtained or that may be obtained from the Financial Institutions/Banks/Consortium of Banks/Trustees for the Debentureholders and/or to secure any debentures already issued and remaining outstanding or that may be issued, together with interest at the respective agreed rate, additional interest, liquidated damages, commitment charges and all other monies payable by the Company to the said Financial Institutions/Banks/Consortium of Banks/Trustees for Debentureholders in terms of their respective loan agreements, heads of agreement, letters of sanction, Memorandum of terms and conditions entered into or to be entered into by the Company in respect of the said loans and/or advances and other credit facilities and the Trustee agreements in respect of any debentures, subject to a limit of Rupees Two Hundred Crores."

"RESOLVED FURTHER THAT the consent of the Company be and is hereby accorded to the Board of Directors of the Company agreeing with all or any of the Financial Institutions/Banks/ Consortium of Banks/Trustees for the Debentureholders in terms of their respective loan agreements/hypothecation agreements/Trustee agreements/Memorandum of terms and conditions, to reserve a right to sell the properties of the Company, in certain events."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such other acts as may be necessary to give effect to the above resolution."

**NOTES :**

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- (b) The Register of Members will be closed on Wednesday, the 19th day of September, 2001.
- (c) The Dividend on Equity Shares, if declared, will be paid from Friday, 28th September, 2001 onwards, to those members who are entitled thereto and whose names appear on the Register of Members as on 19th September, 2001 for those holding Shares in the Physical Form and for those holding Shares in Demat Form as beneficiary owners in the record of the Depositories as on 19th September, 2001.



- (d) In terms of the provisions of Section 205A of the Companies Act, 1956, the unclaimed equity dividend for the financial year(s) upto 1994-95 has been transferred to the General Revenue Account of the Central Government. Those shareholders, who have so far not claimed or collected their dividend for any financial year upto 1994-95, may claim the same from the Registrar of Companies, Maharashtra, Mumbai, by submitting an application in the prescribed form.

Consequent upon amendment in Section 205A of the Companies Act, 1956, and introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of Dividend remaining unclaimed for a period of Seven Years shall be transferred to the Investor Education and Protection Fund (IEPF) and no claim by the shareholders shall lie for the unclaimed dividend transferred to IEPF.

All members who have either not received or have not encashed dividends for the financial years 1995-96, 1996-97, 1997-98, 1998-99 and 1999-2000 are requested to write to the Company's Share Department at the Company's Registered Office for issuance of duplicate Dividend Warrant(s), mentioning the relevant Folio Nos.

- (e) All documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office during office hours between 11.00 a.m. to 1.00 p.m. on all days except Saturdays, Sundays and Public Holidays upto the date and time of the Annual General Meeting.
- (f) Members are requested to notify changes of address, if any, to the Company.
- (g) NRI shareholders are requested to immediately inform (a) change in their residential status on return to India for permanent settlement and (b) particulars of NRE Account, if not furnished earlier.
- (h) If members have more than one folio with the Company in identical order of names, the fact should be intimated to the Company for consolidation into one folio. If further shares are bought by the members, folio number(s) should be mentioned in the forwarding letters to avoid creation of multiple folios.

By Order of the Board

**D.T. GOKHALE**  
Secretary

**Registered Office :**

Prospect Chambers,  
317/21 Dr. Dadabhoy Naoroji Road,  
Fort, Mumbai 400 001.

Mumbai, 31st July, 2001

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**Statement as required by Section 173 of the Companies Act, 1956 and Article 89(2) of the Articles of Association of the Company.**

The following statement as required by Section 173 of the Companies Act, 1956, and Article 89(2) of the Articles of Association of the Company sets out all material facts concerning item No. 8 mentioned in the Notice dated 31st July, 2001.

**Item No.8**

Consequent upon the amalgamation of Udaipur Phosphates & Fertilisers Ltd. (UPFL) with the Company, all the properties, assets and interest of the erstwhile UPFL stood transferred and got vested in the Company and have become the property of the Company.

In the normal course of its business, the Company from time to time, has availed/will be required to avail the credit facilities such as loan, debentures and/or advances and other credit facilities from the Financial Institutions/Banks/Consortium of Banks/Trustees for the Debentureholders. In terms of the Ordinary Resolution pursuant to Section 293(1)(d) of the Companies Act, 1956, passed at the Extraordinary General Meeting of the Company held on 7th December, 1994, the Board of Directors of the Company is authorised to borrow sums of money together with the moneys already borrowed, exceeding the paid-up capital of the Company and its free reserves, subject to a limit of Rupees Two Hundred Crores. A charge on the assets/properties of the Company, both present and future, is normally given as security for such borrowings.

Section 293(1)(a) of the Companies Act, 1956, provides that the Board of Directors of a company shall not without the consent of the Company in general meeting, sell, lease or otherwise, dispose of the whole or substantially the whole of the undertaking of the company. The mortgaging and hypothecating by the Company of its immovable and movable properties, respectively, in favour of any of the Financial Institutions/Banks/Consortium of Banks/Trustees for the Debentureholders, with a right to sell the properties of the Company, in certain events, may be regarded as disposal of the Company's properties/undertakings.

Since a charge on all or any of the assets/properties of the Company (including the assets/properties of erstwhile UPFL), both present and future, may be required to be given in favour of any of the Financial Institutions/Banks/Consortium of Banks/Trustees for the Debentureholders, it is considered necessary to obtain the consent of the members by way of abundant caution.

None of the Directors of the Company is, in any way, concerned or interested in the said Resolution.

By Order of the Board

**D.T. GOKHALE**  
Secretary

**Registered Office :**

Prospect Chambers,  
317/21 Dr. Dadabhoy Naoroji Road,  
Fort, Mumbai 400 001.

Mumbai, 31st July, 2001

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## Directors' Report

The Directors are pleased to present their Eighty First Annual Report together with the accounts of the Company for the year ended 31st March, 2001.

### FINANCIAL RESULTS

	31st March, 2001 Rs. in lacs	31st March, 2000 Rs. in lacs
Turnover	24579.12	29437.07
Gross Profit	975.54	1376.83
Depreciation	785.53	738.11
Profit before tax	190.01	638.72
Provision for taxation	31.00	78.00
Profit after taxation	159.01	560.72
Add : Balance brought forward	799.99	442.61
	959.00	1003.33
Add : Transferred from Investment Allowance Reserve	54.50	58.61
Add : Transferred from Debenture Redemption Reserve	204.00	438.22
Available for appropriations	1217.50	1545.16
The Directors have made the following appropriations :		
(i) Preference Shares Redemption Reserve	333.00	333.00
(ii) General Reserve	75.00	100.00
(iii) Interim Dividend on		
- Preference Shares	115.00	78.33
- Equity Shares	—	202.90
(iv) Income tax on Interim Dividend on		
- Preference Shares	25.99	8.62
- Equity Shares	—	22.32
(v) Proposed Dividend on Equity Shares	67.63	—
(vi) Income Tax on proposed Dividend on Equity Shares	6.90	—
(vii) Balance carried forward	593.98	799.99
	1217.50	1545.16
The following is the turnover by group of products :		
Single Superphosphate	11732.35	14358.34
Commodity Chemicals	7536.14	8993.91
Speciality Chemicals	4914.63	4601.33
Others	396.00	1483.49
	24579.12	29437.07

### DIVIDEND

Your Directors approved payment of Interim Dividend on Preference Shares at the rate of 11.50% (Rs.11.50 per Preference Shares of Rs.100/- each) for the financial year 2000-2001, which was paid on 15th March, 2001. Your Directors recommend to the shareholders to ratify the payment of the said Interim Dividend on Preference Shares amounting to Rs.140.99 lacs, including income tax thereon.

The Directors also recommend payment of Dividend on Equity Shares for the year ended 31st March, 2001 at the rate of 5%. The payment of Dividend on Equity Shares will absorb Rs.74.53 lacs, including income tax thereon.

### OPERATIONS

The turnover during the year 2000-2001 was Rs.245.79 crores as compared to the previous year's turnover of Rs.294.37 crores, representing a decrease of 17%. The main reason for this drop was lower sales volumes and realisations in the Fertilizer and Commodity Chemicals businesses.

The turnover, in respect of Single Super Phosphate (SSP), decreased by 18%. The SSP industry continued to have a difficult year, with lower demand, due to adverse weather conditions, non-recognition of costs in fixing prices by the State Governments and continued discrimination by the Central Government to the SSP industry in fixing subsidy as compared to the competing phosphatic fertilizer

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Diammonium Phosphate (DAP). The profitability of the industry received a further setback by 48% increase in railway freight on SSP, rock phosphate and sulphur from April 1, 2000 and reduction in subsidy on SSP by Rs.100 / MT from July 1, 2000. Abnormal delays in payment of the subsidy by the Central Government have increased the interest burden of your Company.

Your Company has represented through the Fertilizer Association of India (FAI) to the Government on the need to have a clear, non-discriminatory policy on SSP (which is of vital agronomic value to the sulphur deficient Indian soils) and on the threat posed to the Indian agriculture industry and the farmers by the availability of 'substandard' SSP. The Government is considering the FAI's representation. It has, in the meantime, instituted audit procedures which should reduce alleged misuse of subsidy scheme and enable the farmers to obtain good quality SSP. This would benefit your Company as its field and promotional activities, with special emphasis on quality, enables its 'SHIP' brand to command a premium in the market. Your Company has also started marketing micro-nutrients and organic manures to increase the product range of agri-inputs and extend the 'SHIP' brand to these products.

The Commodity Chemicals business was affected by the general recession in the Chemicals industry especially dyes and poor off-take of sulphuric acid by the SSP industry. Increased competition resulted in 7% drop in volume and 16% drop in turnover. The Speciality Chemicals business performed well with a 7% turnover increase. Your Company is focusing on value-addition and market expansion by finding new applications for its Speciality and Performance Chemicals. The sale of the speciality descalant, introduced last year for the power plants, doubled in the current year. This business, along with other Performance Chemicals, is expected to grow further in the coming years.

The overall impact of lower sales volumes and selling prices resulted in an operating loss, which was more than offset by the profit on the sale of office premises and shares.

Your Company has simplified business processes and is implementing a rationalisation and restructuring plan. The manpower has been reduced by 15%, two offices in Mumbai combined into one and the back office shifted to the Ambernath factory. This restructuring along with the ongoing cost-effectiveness measures will enable your Company to improve its competitiveness in the coming years.

The Export turnover for the year 2000-01 was Rs.16.01 crores. Your Company has received the 'Second Award' under the category of "Basic Inorganic & Organic Chemicals including Agro Chemicals", instituted by the Basic Chemicals, Pharmaceuticals and Cosmetics Export Promotion Council (CHEMEXCIL) for outstanding export performance during the years 1998-1999 and 1999-2000.

**RESEARCH & DEVELOPMENT**

The Research & Development Centre (RDC) provides your Company with continuous flow of innovative processes and products with the focus on Speciality and Performance Chemicals.

New Speciality and Performance Chemicals based on in-house R&D have also been developed both for domestic and export market. Opportunities are being explored for alliances with Indian and foreign partners. Your Company's R&D facilities are being strengthened to find new chemical molecules, to innovate technologies and to expand in new areas of business. This strategy, in course of time, will lead to innovation led growth for the Company.

In order to speed up the development of applications of the existing products, your Company has initiated collaborative studies at reputed Institutions like Central Leather Research Institute (CLRI), Chennai, Central Institute for Research on Cotton Technology (CIRCOT), Mumbai, Wool Research Association (WRA), Thane and University Department of Chemical Technology (UDCT), Mumbai.

**SUBSIDIARY**

The audited statements of accounts of DMCC Oil Terminals (Navlakhi) Limited (DOTL), a subsidiary of the Company, for the year ended 31st March 2001, together with the Reports of its Directors and Auditors, as required under Section 212 of the Companies Act, 1956 are attached to the accounts of your Company.

As mentioned in the last year's Directors' Report, Gas Authority of India (GAIL) had issued a tender inviting parties to pre-qualify for utilizing its LPG pipeline and DOTL had responded to the GAIL tender. GAIL has already completed work concerning laying of the pipeline from Jamnagar to Loni (near Delhi). GAIL have now offered a throughput quantity of 0.20 million tonnes per annum as against 0.17 million tonnes per annum, as indicated earlier.

So far as the equity tie-up is concerned, DOTL have offered a portion of the same to Gujarat Maritime Board (GMB) and Gujarat State Petroleum Corporation (GSPC), both being the Government of Gujarat undertakings. GMB controls the Navlakhi Port and association with GSPC will facilitate import and distribution of white oil products. Thus, the participation of both these Institutions would add value to the Project. Both GMB and GSPC have shown interest in participating in the Project and they are already proceeding with due diligence formalities after which they will put the formal proposal to participate in the equity to their respective Boards of Directors. Once the equity is fully tied up, DOTL will proceed with finalising the contracts in respect of offshore installations and onshore installations since significant progress has already been made in the form of tendering, pre-qualifying and short listing the contractors for both the jobs.





## DIRECTORS

Shri S.N. Desai, Shri S.M. Thakore and Shri M.D. Goculdas, retire by rotation under Article 135 of the Articles of Association of the Company and being eligible, offer themselves for re-appointment.

Shri D.S. Parekh, vide his letter dated 22nd January, 2001, intimated to the Board of his resignation as a Director of the Company, due to the recent amendment in the Companies Act, 1956, which does not permit holding directorships in more than fifteen companies. Accordingly, the Board of Directors has, at its meeting held on 25th January, 2001, accepted the resignation of Shri D.S. Parekh as a Director of the Company. Shri Parekh has served on the Board of the Company for over twelve years, since 1988. The Directors place on record their appreciation for the valuable guidance and advice given to the Company by Shri Parekh during his long association with the Company as also the contribution made by him in the deliberations at the Board Meetings during his tenure as a Director of the Company.

Keeping in view of Shri D.S. Parekh's wide experience and long association with the affairs of the Company and pursuant to Section 313 of the Companies Act, 1956 and Article 141(1) of the Articles of Association of the Company and in pursuance to the request of Shri L.N. Goculdas-Vice Chairman, Shri D.S. Parekh has been appointed as an Alternate Director to Shri L.N. Goculdas, with effect from 25th January, 2001.

The Board of Directors of the Company at its meeting held on 25th January, 2001, had appointed Shri Y.C. Amin as an Additional Director on the Board, pursuant to Section 260 of the Companies Act, 1956 and Article 126 of the Articles of Association of the Company. Shri Amin would have continued as an Additional Director upto the date of the ensuing Annual General Meeting. However, Shri Amin, vide his letter dated 24th July, 2001, intimated to the Board of his resignation as a Director of the Company, due to health reason. Accordingly, the Board of Directors has, at its meeting held on 31st July, 2001, accepted the resignation of Shri Y.C. Amin. The Directors place on record their appreciation for the valuable guidance and advice given to the Company by Shri Amin during his association with the Company as also the contribution made by him in the deliberations at the Board Meetings during his tenure as a Director of the Company.

## PARTICULARS OF EMPLOYEE

Particulars of employee as required to be disclosed in the Directors' Report in accordance with the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, are given in Annexure-I to this report.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

As per Section 217 of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the relevant data pertaining to conservation of energy, technology absorption and foreign exchange are given in the prescribed format in Annexure-II to this report.

## PUBLIC DEPOSITS

Out of the deposits which matured during the year, 287 deposits aggregating to Rs.23,12,000/- remained unclaimed as on 31st March 2001, of which 95 deposits amounting to Rs.8,30,000/- have since been renewed/repaid.

## AUDIT COMMITTEE

The Board of Directors of your Company has constituted an Audit Committee comprising of Shri S.N. Desai, Shri M.D. Goculdas and Shri S.M. Thakore, all Non-Executive Directors of the Company. The role, terms of reference and the authority and powers of the Audit Committee are in conformity with the requirements of Section 292A of the Companies Act, 1956 [as amended by the Companies (Amendment) Act, 2000] and the Listing Agreement of The Stock Exchange, Mumbai.

## AUDITORS

M/s. K S Aiyar & Co., Chartered Accountants, the existing Auditors have, under Section 224 (1-B) of the Companies Act, 1956, furnished Certificate of their eligibility for re-appointment.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements 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 annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures ;
- (ii) That the Directors have 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 the affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- (iii) That the Directors have taken proper and sufficient care for the 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 annual accounts on a going concern basis.



**EIGHTYFIRST ANNUAL REPORT 2000-2001****CORPORATE GOVERNANCE**

The code of Corporate Governance, as directed by the Securities and Exchange Board of India, will be required to be implemented by the Company in terms of the Listing Agreement with the Stock Exchange, Mumbai, on or before 31st March, 2002. However, your Company has voluntarily complied with the substantial portion of the code on Corporate Governance in the year ending 31st March, 2001 itself. The Executive Management of your Company is in the process of making the necessary changes in the systems/procedures to comply with the remaining requirements of the code, as will be applicable to your Company.

**ACKNOWLEDGMENTS**

The Directors are thankful to your Company's customers, suppliers, contractors, various Departments of Central and State Governments, Financial Institutions and Banks for their continued valuable support.

The relations with the employees of the Company have continued to remain cordial. The Directors express their appreciation to all the employees of the Company for their valuable contributions to the operations of the Company.

For and on behalf of the Directors

**R .M .GOCULDAS**  
Chairman

**Registered Office :**

Prospect Chambers,  
317/21 Dr. Dadabhoy Naoroji Road,  
Fort, Mumbai 400 001.

Mumbai, 31st July, 2001

**ANNEXURE I TO THE DIRECTORS' REPORT**

PARTICULARS OF EMPLOYEE AS PER SEC. 217(2A) OF THE COMPANIES ACT, 1956  
[READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES 1975]

Sr. No.	Name of Employee	Age in years	Qualification	Designation/ Nature of Duties	No. of Years Experience	Date of Commencement of Employment	Remuneration Rs.	Last Employment Held Designation and Period for which post held
1.	Mr. Punshi V.K.	59	B. Tech (Hons) Chem. Engg.	Managing Director	38	01.01.2000	19,22,625	Uniliver China Ltd., China, Technical Director - 3 years

**NOTES**

1. Remuneration includes Salary, Allowances, Personal Accident Insurance Premium, Company's contribution to Provident Fund and Superannuation Fund and Taxable value of perquisites.
2. Based on actuarial valuation, the Company has contributed an appropriate amount to the Gratuity Fund. This amount has not been included in the column under the head "Remuneration" as separate figures are not available for individual employees.
3. The nature of employment as also other terms and conditions are as per contract.
4. Experience includes number of years' service elsewhere, where applicable.
5. The employee mentioned above is not related to any Director of the Company.

For and on behalf of the Directors

**R .M .GOCULDAS**  
Chairman

**Registered Office :**

Prospect Chambers,  
317/21 Dr. Dadabhoy Naoroji Road,  
Fort, Mumbai 400 001.

Mumbai, 31st July, 2001



## ANNEXURE II TO THE DIRECTORS' REPORT (Under Section 217(1) (e) of the Companies Act, 1956)

### DISCLOSURES

#### A. CONSERVATION OF ENERGY

#### FORM A

##### POWER AND FUEL CONSUMPTION

	<u>2000-2001</u>	<u>1999-2000</u>
<b>1. Electricity</b>		
(a) <b>Purchased</b>		
Unit (lac KWH)	282.09	315.17
Total amount (Rs. lacs)	1251.16	1374.30
Rate/Unit (Rs./KWH)	4.44	4.36
(b) <b>Own generation</b>		
(i) <b>Through Diesel Generator</b>		
Unit (lac KWH)	7.59	17.91
Unit per litre of diesel oil (KWH)	2.93	2.79
Diesel oil cost per unit of electricity (Rs./KWH)	5.40	4.54
(ii) <b>Through Steam Turbine/Generator (from by-product steam of Sulphuric Acid Plant)</b>		
Unit (lac KWH)	213.00	257.34
Total cost (Rs. lacs)	129.19	167.28
Cost/Unit (Rs./KWH)	0.61	0.65
<b>2. Furnace Oil</b>		
Quantity (K.litre)	2012.61	3002.68
Total amount (Rs.lacs)	215.30	264.32
Average Rate (Rs./K.L.)	10698.00	8803.00
<b>3. Others</b>		
<b>Diesel Oil</b>		
Quantity (K.litre)	1062.91	1701.90
Total cost (Rs.lacs)	151.43	195.66
Average Rate (Rs./K.L.)	13984.00	11496.00

##### CONSUMPTION PER TONNE OF MAJOR PRODUCTS

##### Electricity (Unit, KWH)

1. Single Superphosphate	26	26
2. Sulphuric Acid 100%	64	64
3. Alumina Sulphate 17%	32	32

#### B. TECHNOLOGY ABSORPTION

#### FORM B

##### RESEARCH AND DEVELOPMENT (R&D)

##### 1. Specific areas in which R&D is carried out by the Company:

The Company has an R & D Centre approved by the Department of Science & Technology, New Delhi. It was awarded ISO 9001 certification in the year 1996 which has been recertified in 1999.

Areas in which R&D activities are carried out include :

- Development of processes for value added product utilising Sulfur Trioxide, Chlorosulphonic Acid, etc.
- Development of the processes for making value added products from the Company's existing products e.g. Potassium Sulfamate, Guanidine Sulfamate, etc.
- Development of the processes for making value added products from waste generated from various sources e.g. Ammonium Silico Fluoride from Hydrofluorosilico Acid.
- Process and cost optimisation of Benzenesulfonyl Chloride (BSCL) and recovery of byproduct Sulfone.