



**THE DHARAMSI MORARJI
CHEMICAL COMPANY LTD.**

**91st
Annual Report
2011 - 2012**



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Directors

Shri Laxmikumar Narottam Goculdas	Chairman
Shri Haridas Tricumdas Kapadia	
Shri Madhu Thakorlal Ankleshwaria	
Shri Arvind Wasudeo Ketkar	
Shri Shantilal Tejshi Shah	
Ms Mitika Laxmikumar Goculdas	(from 04-11-2011)

Key Management Personnel

Shri Bimal Lalitsingh Goculdas	Chief Executive Officer
Shri Dilipkumar Nilkanth Vaze	Chief Finance Officer (upto 09-08-2012)
Shri Dilip Trimbak Gokhale	Vice President (Legal / Corporate Affairs) & Company Secretary

Auditors

K.S.Aiyar & Co.
Chartered Accountants

Legal Advisers

Bhaishanker Kanga & Girdharlal

Bankers

The Federal Bank Ltd.

Registered Office

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

Factories

Ambernath (Maharashtra)
Roha (Maharashtra)
Jhar (Gujarat)
Khemli (Rajasthan)

Registrars and Transfer Agents

Link Intime India Pvt. Ltd.,
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W), Mumbai - 400 078.
Tel. : 022-25963838 Fax : 25946969
Email : rnt.helpdesk@linkintime.co.in

NOTICE TO MEMBERS

The Ninety First Annual General Meeting of the Members of THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED will be held at the Indian Merchants' Chamber Conference Hall (Walchand Hirachand Hall), IMC Marg, Churchgate, Mumbai 400 020, on Tuesday, the 25th day of September, 2012 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, 2012.
2. To appoint a Director in place of Shri Arvind W. Ketkar, who retires by rotation under Article 135 of the Articles of Association of the Company, but being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Shantilal T. Shah, who retires by rotation under Article 135 of the Articles of Association of the Company, but being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary 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 91st Annual General Meeting until the conclusion of the 92nd 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."
5. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution :
"RESOLVED THAT Ms. Mitika Laxmikumar Goculdas, who was appointed as an additional Director of the Company, under Section 260 of the Companies Act, 1956 and Article 126 of the Articles of Association of the Company by the Board of Directors w.e.f. 4th November, 2011 and who holds office upto the date of this Annual General Meeting and being eligible offers herself for re-appointment and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, from a shareholder signifying his intention to propose her as a candidate for the office of Director, be and is hereby appointed as Director of the Company, whose term of office shall be liable to determination by retirement by rotation."
6. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution :
"RESOLVED THAT subject to the provisions of Section 269 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its approval to the re-appointment of Shri Bimal Lalitsingh Goculdas as the "Chief Executive Officer" and "Manager" of the Company within the meaning of the Companies Act, 1956, for a period of three years from 1st April, 2012, on the following remuneration :
Salary: Rs.1,00,000/- per month.
Commission: 1/2% of the net profits of the Company plus further 1/2% as may be decided by the Board of Directors but total amount not exceeding 100% of annual salary.

Perquisites:

In addition to the above, the "Chief Executive Officer" shall be entitled to the following perquisites, monetary value of which shall not exceed the annual salary.

CATEGORY "A"

- (i) (a) House rent allowance of Rs. 29,000/- per month.
(b) Expenditure on electricity, water, gas and furnishings at the residence to be borne by the Company.
- (ii) Medical benefits for self and family : Reimbursement of medical expenses actually incurred and reimbursement of premium paid on Medisclaim Policy, the total cost of which to the Company shall not exceed one month's salary in a year or three months' salary in a block of three years.
- (iii) A personal accident insurance policy for his own benefit at the cost of the Company, the premium of which shall not exceed Rs.4,000/- per annum.
- (iv) Leave Travel Concession : Actual fares, rail or air, for self and family once a year to and from any place in India.
- (v) Fees of clubs, subject to a maximum of two clubs, provided that no life membership fee or admission fee is paid.

CATEGORY "B"

- (i) Membership of Company's Provident Fund Scheme.
- (ii) Gratuity as per rules of the Company.
- (iii) Benefit of Company's Superannuation Scheme, subject to the condition that the Company's contribution thereto together with the contribution to Provident Fund are not taxable under the Income-tax Act.

Such contributions shall not be included in computation of ceiling on perquisites.

CATEGORY "C"

- (i) A car with driver for use for the business of the Company and for his personal use. For personal use of the car, the Company will bill the Chief Executive Officer.



- (ii) Telephone at residence : All charges including rental and call charges for the telephone at the residence being paid by the Company in full. For personal long distance calls, the Company will bill the Chief Executive Officer.

Car with driver for use of Company's business and telephone at residence shall not be considered as a perquisite.

The Chief Executive Officer shall further be entitled to :

Leave with salary, allowances and other benefits as per leave rules of the Company and the leave accumulated but not availed may be encashed as per Rules of the Company.

The monetary value of the perquisites will be evaluated as per the Income-tax Rules and be subject to such ceiling as may be prescribed by the Central Government.

In the event of loss or inadequacy of profits in any year, the remuneration and perquisites will be paid in accordance with the Schedule XIII to the Companies Act, 1956 as amended from time to time.

The above re- appointment , salary, perquisites and commission will be subject to the provisions of Sections 198, 309 and 349 of the Companies Act, 1956 and subject to the consent of the shareholders of the Company."

" RESOLVED FURTHER THAT Shri D.T.Gokhale, Company Secretary, be and is hereby authorised to do all such acts, deeds and things and to sign all such documents as may be necessary, expedient and incidental thereto to give effect to this Resolution."

NOTES :

1. The relative Explanatory Statements pursuant to Section 173 of the Companies Act, 1956 in respect of the business as set out in above are annexed hereto.
2. 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.
3. Members / Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
4. The Register of Members will be closed from Tuesday, the 18th September, 2012 to Tuesday, 25th September, 2012 (both days inclusive).
5. 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 of the Annual General Meeting.
6. Members are requested to notify changes of address, if any, to the Company.
7. 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.
8. 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.

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. 5 and 6 mentioned in the Notice dated 08th August, 2012.

Item No. 5

The Board of Directors of the Company at its meeting held on 04th November, 2011, has appointed Ms. Mitika Laxmikumar Goculdas as an additional Director on the Board of Directors of the Company. Ms. Mitika Laxmikumar Goculdas, is MBA (Finance) from Pennsylvania State University, USA. She has total work experience of 16 years including her stint as Vice President with Merrill Lynch both at USA and Dubai. She has experience in finance, industry and international trade.

As per provisions of Section 260 of the Companies Act, 1956 and Article 126 of the Articles of Association of the Company, Ms. Mitika Laxmikumar Goculdas will hold office of Director upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member proposing the candidature of Ms. Mitika Laxmikumar Goculdas for the office of Director, under the provision of Section 257 of the Companies Act, 1956.

The Directors recommend the Resolution for adoption by the Members.

None of the Directors of the Company, except Shri Laxmikumar Narottam Goculdas (who is the father of Ms. Mitika Laxmikumar Goculdas) and Ms. Mitika Laxmikumar Goculdas are in anyway concerned or interested in the aforesaid appointment.

Item No. 6

The term of appointment of Shri Bimal Lalitsingh Goculdas, Chief Executive Officer and ' Manager ' of the Company within in the meaning of the Companies Act, 1956 came to end on 31st March, 2012. The Board of Directors of the Company at its Board Meeting held on 2nd April, 2012 has re-appointed Shri Bimal Lalitsingh Goculdas, subject to the approval of the shareholders at the ensuing Annual General Meeting as " Chief Executive Officer " and ' Manager ' of the Company within in the meaning of the Companies Act, 1956, for a period of three years with effect from 1st April, 2012, on the terms and conditions mentioned in the Resolution as Item No. 6.

Shri Bimal Lalitsingh Goculdas has also been appointed as the " Managing Director " of The Borax Morarji Limited for a period of three years with effect form 01.04.2012. As mutually agreed between Shri Bimal Lalitsingh Goculdas and The Borax Morarji Limited, he shall presently be not eligible

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to receive any remuneration from The Borax Morarji Limited for the above period of appointment. However, this arrangement will be reviewed by the Board and Shareholders of The Borax Morarji Limited in course of time.

The remuneration and terms and conditions of appointment of Shri Shri Bimal Lalitsingh Goculdas, Chief Executive Officer and ' Manager ' of the Company within in the meaning of the Companies Act, 1956 are as given in the Ordinary Resolution at item no.6 of the Notice of the Meeting as hereinabove and were also circulated to the shareholders on 7th April, 2012 being Disclosure under Section 302 of the Companies Act, 1956.

The Directors recommend the Resolution for adoption by the Members.

None of the Directors of the Company, except Shri Laxmikumar Narottam Goculdas and Ms. Mitika Laxmikumar Goculdas who are relatives of Shri Bimal Lalitsingh Goculdas are in any way, concerned or interested in the aforesaid appointment and payment of remuneration to Shri Bimal Lalitsingh Goculdas .

By Order of the Board

D. T. Gokhale
Company Secretary

Registered Office:

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

Mumbai 8th August, 2012.

Details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting:

(Pursuant to Clause 49 of the Listing Agreement)

Name of Director	Shri Arvind W. Ketkar	Shri Shantilal T. Shah	Ms.Mitika Laxmikumar Goculdas
Date of Birth	14-05-1940	28-12-1938	11-08-1972
Date of Appointment	22-01-2010	27-07-2010	04-11-2011
Qualifications/Expertise in specific functional areas	B.Com (Hons), A.C.A.- Practising Chartered Accountant for over thirty nine years.	B. Com Experience in marketing, finance and administration in Chemical Industry.	MBA (Finance) from Pennsylvania State University, USA.
List of Public Companies in which outside Directorship held as on 8 th August, 2012.	None	Aarti Industries Limited Aarti Corporate Services Limited Aarti Ventures Limited	Borax Morarji Limited
Chairman/Member of the Committee of the other Public Companies on which he/she is a Director as on 8 th August, 2012.	None	None	None
Shareholding	324	Nil	Nil



DIRECTORS' REPORT (Including Management Discussion and Analysis Report)

The Directors are pleased to present their Ninety First Annual Report, together with the accounts of the Company for the financial year ended 31st March, 2012. (Twelve months)

FINANCIAL RESULTS

	Financial Year ended 31st March, 2012 (12 Months) Rs. in lacs	Financial Year ended 31st March, 2011 (9 Months) Rs. in lacs
Sales Turnover (Net of Excise Duty)	8132.75	4295.80
Gross Profit / (Loss)	87.73	7.17
Less : Depreciation & Lenders' sacrifice Amortisation	486.06	486.70
Profit/(Loss) before Taxation	(398.33)	(479.53)
Less: Provision for Taxation	----	----
Profit/(Loss) after Taxation	(398.33)	(479.53)
Add: Balance brought forward	(5828.78)	(5349.25)
Balance carried forward	(6227.11)	(5828.78)
The following is the Sales Turnover(Net of Excise Duty)		
by group of products:		
Single Superphosphate	----	4.50
Commodity Chemicals	4138.99	2063.83
Specialty Chemicals	3176.95	1802.12
Others	816.81	425.35
Total	8132.75	4295.80

The financial statements for the previous financial year were prepared for a period of nine months commencing from 1st July, 2010 and ending on 31st March, 2011. Therefore, the Sales Turnover for the Financial Year ended 31st March, 2012 is not comparable with the Sales Turnover for the previous Financial Year ended 31st March, 2011 (9 months).

In view of the loss during the year under review, your Directors have not recommended any Dividend on Cumulative Preference Shares and Equity Shares of the Company, for the financial year ended 31st March, 2012.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

(a) Overview of operations

- The Company's fertiliser business viz. Single Superphosphate (SSP) continued to be adversely affected, inter alia, due to strained liquidity and shortage of Working Capital. This has forced your Company to discontinue the production of SSP. Consequently the turnover in respect of SSP fertilizers during the current financial year ended 31st March, 2012 was nil.
- The turnover of Commodity Chemicals during the current Financial Year ended 31st March, 2012 was Rs. 41.39 crores. The turnover of Specialty Chemicals during the current Financial Year ended 31st March, 2012 was Rs. 31.77 crores. The total turn over of the Chemical business was 81.33 crores including the sales turn over of certain other Specialty chemicals.

(b) Prospects in the Industry :

Fertilisers and Chemicals

The Company's Fertilisers and Chemical businesses continued to be adversely affected by severe working capital constraints experienced by the Company.

The Company continues to manufacture SSP at its Khemli, Udaipur Unit, on conversion basis. The Company is also exploring options to manufacture and market SSP under its own " SHIP " Brand, on participation basis.

The Company expects to increase the capacity utilization of its Chemical Plants at Roha, after completing Corporate Financial Restructuring, which is expected to improve the working capital finances of the Company. In spite of these adverse factors, the Management of the Company has successfully installed and commissioned plant to manufacture Benzene Sulfonyl Chloride with a capacity of 500 M.T. per month. In addition the Research and Development (R&D) Team of your Company at Roha is in the process of developing new Specialty Chemicals and new varieties of existing Specialty Chemicals with high margins. The R & D Team of your Company continues its efforts for improvement in processes to achieve cost reduction in the existing products of the Company.

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Cautionary Statement

Statements in this "Management Discussion and Analysis Report" describing the Company's objectives, projections, estimates, expectations or predictions may be considered as "forward looking statements" within the meaning of applicable securities laws and regulations. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of the future performance and outlook.

CORPORATE FINANCIAL RESTRUCTURING

In furtherance to the requisite approval of the shareholders of the Company obtained on 17th August, 2010, under Section 293 (1) (a) of the Companies Act, 1956, for the sale/transfer/disposal of its land, factory buildings and plant and machinery at its Ambernath Factory, steps are being taken to complete Corporate Financial Restructuring. The Management is continuing its endeavors to complete the Corporate Financial Restructuring, with a view to improve the operational and financial performance of the Company.

ADEQUACY OF INTERNAL CONTROLS

Your Company has clearly laid down policies, guidelines and procedures which form part of its internal control system. The Audit Committee of the Board periodically reviews reports of Internal Auditors, inter alia, on adherence by the operating Management of such policies and procedures and suggests changes/modifications and improvements on a continuous basis. The Company has a strong, independent and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposal and that transactions are authorised, recorded and reported correctly. The internal control systems are supplemented by a programme of internal audit.

HUMAN RESOURCE DEVELOPMENT

As an ongoing exercise of the restructuring and re-organisation, the Company undertakes periodic comprehensive reviews of its HR policies and amends the same suitably from time to time, to meet the emerging business requirements.

DIRECTORS/KEY MANAGEMENT PERSONNEL

The Board regrets to inform the Shareholders about the sad and sudden demise of Shri D.N. Vaze, Chief Finance Officer of the Company, on 9th August 2012. He has been associated with the Company for the last many years in various capacities. He has been guiding force to the Management and staff of the Company. The Directors, the Management and the Employees of the Company are deeply grieved at the sad and sudden demise of Shri D.N. Vaze. The Board recognises and place on record their appreciation for his deep sense of commitment, loyalty towards the Company and the valuable contribution made by him in the Management of the Company, especially during the financial crisis which the Company had undergone.

Shri Arvind W. Ketkar and Shri Shantilal T. Shah, Directors, are retiring by rotation under Article 135 of the Articles of Association of the Company and being eligible, offer themselves for re- appointment.

The Board of Directors of the Company at its meeting held on 4th November, 2011, has appointed Ms. Mitika Laxmikumar Goculdas, as an additional Director on the Board of Directors of the Company. Ms. Mitika Laxmikumar Goculdas, is MBA (Finance) from Pennsylvania State University, USA. She has total work experience of 16 years including her stint as Vice President with Merrill Lynch both at USA and Dubai. She has experience in Finance, Industry and International Trade. As per provisions of Section 260 of the Companies Act, 1956 and Article 126 of the Articles of Association of the Company, Ms. Mitika Laxmikumar Goculdas, will hold office of Director upto the date of ensuing Annual General Meeting. Appointment of Ms. Mitika Laxmikumar Goculdas, as a Director liable to retire by rotation is proposed at Sr. No. 5 of the Notice of the ensuing Annual General Meeting. Your Directors recommend the appointment of Ms. Mitika Laxmikumar Goculdas, as Director of the Company.

Subject to the approval of the Shareholders, the Board of Directors of the Company at its meeting held on 2nd April, 2012 has re- appointed Shri Bimal Lalitsingh Goculdas (who is also a Managing Director of Borax Morarji Limited) as Chief Executive Officer and "Manager" of the Company within the meaning of the Companies Act, 1956 for a period of 3 years with effect from 1st April, 2012.

AUDITORS' OBSERVATIONS

As regards the Auditors' observation regarding recognition of "Deferred Tax Asset" amounting to Rs. 2654.15 lacs, the Company, based on the proposed association with a "Strategic Investor", is confident that this proposed association will result in significant additional revenue and profits.

As regards the Auditors' observation regarding Trade Receivables that could not be classified as outstanding for a period of more than six months from the due date instead of invoice date as required by the revised Schedule VI to the Companies Act, 1956, the Management is of the view that the revised classification does not have any material impact on the financial statements except for the Presentation and Disclosure of the same. However the necessary modification in the existing computer programme is being carried out and the same will be completed in due course of time during the current financial year 2012-2013.

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 as an Annexure-I to this report.

PARTICULARS OF EMPLOYEES

During the financial year ended 31st March, 2012 there was no employee within the purview of Sec.217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.



PUBLIC DEPOSITS

Out of deposits which matured during the financial year ended 31st March, 2012, 151 deposits aggregating to Rs.18,26,000/- remained unclaimed as on 31st March, 2012, of which Nil deposit amounting to Rs. Nil has since been claimed and repaid.

AUDITORS

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

CORPORATE GOVERNANCE

Your Company has been practicing the principles of good Corporate Governance over the years and the Board of Directors lays strong emphasis on transparency, accountability and integrity. Your Company has adopted a Code of Conduct which is approved by the Board of Directors as required under the Listing Agreement with the Stock Exchange, Mumbai. The Directors and the Management Staff have confirmed their adherence to the provisions of the said code. Your Company has also evolved a Risk Management Policy regarding risk assessment and risk mitigation mechanism, which has been approved by the Board of Directors. A separate report on Corporate Governance is annexed as a part of the Annual Report, along with the Auditors' Certificate on its compliance.

ACKNOWLEDGMENTS

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

The relations between the employees and the management continue to be cordial. Your Directors place on record their appreciation of the sincere and devoted efforts of the employees at all levels and their continued co-operation, commitment, sense of understanding and the sacrifices made by them during the difficult and critical period which the company is passing through.

Management of your Company is confident that with the active co-operation from all the stake holders of the Company, the Company will be in a position to overcome this difficult phase.

For and on behalf of the Board

LAXMIKUMAR NAROTTAM GOCULDAS
Chairman

Registered Office :

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

Date : 08th August, 2012.

ANNEXURE I 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**

		April, 2011 to March, 2012 (12 months)	July, 2010 to March, 2011 (9 months)
1. Electricity Purchased			
	Unit (Lac KWH)	50.81	35.33
	Total Amount (Rs. lacs)	361.46	209.20
	Rate/Unit (Rs./KWH)	7.11	5.92
2. Furnace Oil			
	Quantity (K.Litre)	126.20	38.23
	Total amount (Rs Lacs)	46.22	9.34
	Average Rate (Rs/KL)	36624	24440
	CONSUMPTION PER TONNE OF MAJOR PRODUCTS		
	Electricity (Unit-KWH)		
1.	Single Superphosphate	26	31
2.	Sulphuric Acid 100%	57	59

FORM B**B. TECHNOLOGY ABSORPTION****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 which is approved by the Department of Scientific & Industrial Research, Govt. of India, New Delhi.

Areas in which R&D activity was carried out includes :

- Process and cost optimisation of existing Speciality Chemicals so as to be competitive in the domestic and international market.
- Development of the processes for making value added products to cater to the need of local and export market.
- Technical support to Marketing efforts for launching new products and for troubleshooting of existing products.

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

- Quality and yield improvement of the existing products.
- Manufacture and supply of some of the products as per the customers' specifications.

3. Future plan of action :

- Studies on the preparation of new Speciality Chemicals and formulations with special emphasis on value addition.
- Focus on ethylation & sulphonation Chemistry to develop new products.

4. Expenditure on R&D :

Rs. lacs

	April, 2011 to March, 2012 (12 months)	July, 2010 to March, 2011 (9 months)
(i) Capital	0.00	0.00
(ii) Recurring	12.12	11.86
(iii) Total	12.12	11.86
(iv) Total R&D expenditure as a percentage of gross turnover	0.14%	0.25%



TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

Technology upgradation and innovation are matters of a continuous process in the Company.

2. Benefits :

Increased capacity, cost reduction, improvement in quality and flexibility to meet market demands .

3. Technology imported during the last five years.

No technology was imported during the last five years.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars of foreign exchange earned/utilised are as under:

Rs.in lacs

	April, 2011 to March, 2012 (12months)	July, 2010 to March, 2011 (9 months)
EARNINGS IN FOREIGN EXCHANGE :		
Export of goods calculated on FOB basis	1891.54	917.45
Turnkey Project Sales	0.00	12.12
Total Foreign Exchange earned	1891.54	929.57
OUTGO IN FOREIGN EXCHANGE:		
(1) VALUE OF IMPORTS CALCULATED ON CIF BASIS :		
Raw Materials and bought outs	0.00	79.24
(2) EXPENDITURE IN FOREIGN CURRENCY		
ON ACCOUNT OF FOREIGN TOURS, SUBSCRIPTION, ETC.	16.14	25.98
Total Foreign Exchange outgo	16.14	105.22

For and on behalf of the Board

LAXMIKUMAR NAROTTAM GOCULDAS
Chairman

Registered Office:

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

Date: 08th August, 2012.