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FULFORD (INDIA) LIMITED

Annual Report 2001

Board of Directors

MR. R. A. SHAH, *Chairman* (Alternate to Mr. A. M. Blanco)
 MR. R. D. THAPAR
 MR. D. C. SHROFF (Alternate to Mr. R. Kapur)
 MR. A. M. BLANCO
 MR. A. E. SURIJON
 MR. V. G. ATHAVALE
 MR. R. A. KAPUR, *Vice Chairman*
 MR. K. D. SHAH, *President & Managing Director*
 MR. K. J. KAUL, (Alternate to Mr. I. L. Price and Whole-time Director)

COMPANY SECRETARY
 MR. AJAY NAGLE

FUNCTIONAL HEADS
 MR. S. BASU, Vice President — Human Resources
 MR. K. J. KAUL, Vice President — Technical
 MR. M. K. RAJAN, Vice President — Marketing & Sales
 MR. K. VENKATRAMAN, Vice President — Commercial
 DR. S. MENON, Vice President — Medical
 MR. A. V. SAPRE, Vice President — Finance
 MR. R. K. RUSTAGI, Sr. Director — Corporate Affairs
 MRS. R. CHANDRACHUD, Sr. Director — Oncology & Virology
 MR. AJAY NAGLE — Company Secretary

REGISTERED OFFICE
 Oxford House, 2nd Floor,
 Nawroji Ferdonji Road,
 Apollo Bunder,
 Mumbai 400 001.

REGIONAL OFFICES*/C&F AGENTS
 Ahmedabad, Ambala, Calcutta*, Chennai*, Coimbatore, Cuttack,
 Daman, Delhi*, Dehradun, Guwahati, Hubli, Hyderabad, Indore, Jaipur,
 Kanpur, Lucknow, Ludhiana, Mumbai*, Nagpur, Patna, Pune, Raipur, Ranchi
 Trivandrum, Varanasi, Vijayawada.

BANKERS
 STATE BANK OF INDIA
 CANARA BANK
 THE HONGKONG AND SHANGHAI BANKING CORPORATION

LEGAL ADVISORS
 CRAWFORD BAYLEY & CO.

AUDITORS
 DELOITTE HASKINS & SELLS

REGISTRARS AND SHARE TRANSFER AGENTS
 INTIME SPECTRUM REGISTRY PVT. LTD.
 260, Shanti Industrial Estate,
 Sarojini Naidu Road,
 Mulund (W), Mumbai 400 080.

REQUESTS TO MEMBERS
All correspondence regarding transfer and demat of shares may be addressed to our Registrars and Share Transfer Agents.
Members are requested to bring their copy of the Annual Report to the Meeting.
Members requiring any information about the accounts are requested to write to the Company at least one week before the date of the meeting so that the information may be made available at the meeting.

FULFORD (INDIA) LIMITED

NOTICE is hereby given that the Fifty-fourth Annual General Meeting of FULFORD (INDIA) LIMITED will be held at M.C.Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001 on Friday, June 21, 2002 at 11.00 a.m. to transact the following business:

Ordinary Business

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

"RESOLVED THAT the Balance Sheet as at December 31, 2001 and the Profit & Loss Account for the year ended on that date together with the Directors' and the Auditors' Report thereon be and are hereby approved and adopted."

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

"RESOLVED THAT pursuant to the recommendations of the Board of Directors, a dividend at the rate of 15% (subject to deduction of tax at source) on the equity share capital of the Company for the year ended December 31, 2001, be and is hereby declared out of the profits for that year, payable to those members whose names appear on the Company's Register of Members on the 21st day of June, 2002".

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

"RESOLVED THAT Messrs Deloitte Haskins & Sells, Chartered Accountants, the retiring Auditors of the Company, be and are hereby re-appointed as Auditors of the Company for the financial year ending December 31, 2002 and they shall hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be fixed by the Board of Directors of the Company".

SPECIAL BUSINESS

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

"RESOLVED THAT in partial modification of the resolution passed by the Shareholders at their Annual General Meetings held on April 4, 1997, March 31, 1998 and March 24, 1999 and subject to the approval of the Central Government, and such other sanctions and approvals as may be required, the consent of the Company be and is hereby accorded to ratify, confirm and approve the remuneration paid amounting to Rs. 46,75,412/- plus perks (excluding the payment towards Provident Fund, Gratuity and Superannuation Fund) to Mr. K.D. Shah, President & Managing Director of the Company, for the period from January 1, 2001 to December 31, 2001".

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

"RESOLVED THAT subject to the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, including Schedule XIII of the Companies Act, 1956, as amended upto date and subject to such other approvals, as may be necessary, consent of the Company be and is hereby accorded to the reappointment of and remuneration payable to Mr. K.D. Shah, as President & Managing Director of the Company, for a further period of five years with effect from November 1, 2001 on the terms and conditions as set out in the explanatory statement annexed hereto and the draft agreement to be entered into between the Company and Mr. K.D. Shah, a copy whereof initialed by the Chairman is hereby specifically sanctioned with liberty and power to the Directors to alter and vary the terms and conditions, in such manner as the Board may deem fit within the limits specified in Schedule XIII of the said Act, as existing or as amended, modified or re-enacted from time to time by the Government of India".

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the term of service of Mr. K.D. Shah, as President & Managing Director of the Company, Mr. K.D. Shah shall, in respect of such financial year, be paid such remuneration by way of salary, dearness allowance, perquisites and any other allowances, as set out in the explanatory statement hereto or as the Board of Directors may deem fit, provided that the total remuneration by way of salary, dearness allowance, perquisites and any other allowances shall be subject to the approval of the Central Government, in so far as it exceeds the ceiling set out in Section 2 of Part II of Schedule XIII to the Act or such other ceiling as may be provided in the said Schedule XIII subject to such conditions as may be amended, modified or re-enacted from time to time by the Government of India".

"RESOLVED FURTHER THAT for the purpose of giving effect to the Resolution, the Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper."

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

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, (the Act), the Articles of Association of the Company (the Articles) be and are hereby amended, altered in the manner and to the extent as set out hereinbelow:

Notice (Contd.)

The following Article No. 92A be inserted after the existing Article No.92 in the Articles of the Company:

92A. Notwithstanding anything contained in these Articles, pursuant to Section 192A of the Companies Act, 1956, the Company may, and in the case of resolution relating to such business as the Central Government may, by notification, declare to be conducted only by postal ballot (including voting by electronic mode), shall, get any resolution passed by means of a postal ballot (including voting by electronic mode), instead of / in addition to transacting the business in the General Meeting of the Company. Where the Company decides to pass any resolution by postal ballot, it shall send a notice by registered post acknowledgement due, or by any other method as may be prescribed by the Central Government in this behalf to all the shareholders, along with draft resolution explaining reasons therefor, and requesting them to send their assent or dissent in writing on a postal ballot, in postage pre-paid envelope to be provided by the Company, within a period of 30 days or within such period as may be prescribed by the Central Government from the date of posting of the notice.

If a resolution is assented to by a requisite majority of the shareholders by means of postal ballot (including voting by electronic mode), it shall be deemed to have been duly passed at a General Meeting in that behalf."

"RESOLVED FURTHER THAT for the purpose of giving effect to the Resolution, the Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper."

By Order of the Board of Directors

Mumbai, March 26, 2002
Registered Office:
Oxford House, Nawroji Ferdonji Road,
Apollo Bunder,
MUMBAI 400 001.

AJAY NAGLE
Company Secretary

- NOTES: 1. 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 ONLY INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of Special Business is annexed hereto.
 3. The Register of Members and Share Transfer Books of the Company will remain closed from June 15, 2002 to June 21, 2002, both days inclusive.
 4. Members are requested to notify any change in their address immediately to the Company or to its Registrars and Share Transfer Agents.
 5. Members holding shares in demat mode may please note that, the bank details as furnished by the respective Depositories to the Company will be mandatorily printed on their dividend warrants for the purpose of distribution of dividend through Electronic Clearing Service (ECS) as advised by the Securities and Exchange Board of India (SEBI). In the absence of ECS facility, the bank account details, if available, will be printed on the dividend warrants. Instructions if any, given by them in respect of shares held in physical mode will not be automatically applicable to the dividend paid on shares held in demat mode. Members holding shares in demat mode must, therefore, give instructions regarding bank accounts in which they wish to receive dividend, to their Depository Participants. The Company or the Registrar and Share Transfer Agents will not act on any direct request from these Members for change/deletion in such bank details.
 6. In terms of Sections 205A and 205C of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account, is required to be transferred to the Investor Education and Protection Fund. Members shall not be able to claim any unpaid dividend from the said Fund or the Company thereafter. Members who have not encashed the dividend warrants for the years 1995 to 1998 are requested to contact the Registrar and Transfer Agents, Intime Spectrum Registry Pvt. Ltd. Mumbai. Outstanding dividend for the years prior to 1995 have been transferred to the General Revenue Account of the Central Government.
 7. Members are requested to furnish their permanent Account Numbers under Section 139A(5A) of the Income Tax Act to facilitate issuance of Tax deducted at Source certificates by the Company wherever applicable.

FULFORD (INDIA) LIMITED



Annexure to Notice

Item No. 4

The shareholders will recall the resolutions passed at the Annual General Meetings of the Company held on April 4, 1997, March 31, 1998 and March 24, 1999 approving the appointment and terms of remuneration payable to Mr. K.D. Shah, President & Managing Director of the Company. The resolutions also approved that the remuneration be paid and perquisites be provided to Mr. K.D. Shah, as specified, in the said resolutions, notwithstanding that the Company may incur a loss or earn inadequate profit. The resolutions also stipulated that such remuneration and perquisites may exceed the limits prescribed in Section 2 of Part II of Schedule XIII subject however to the approval of the Department of Company Affairs, Government of India, be obtained.

For the reasons already explained, the Company has earned inadequate profits for the year 2001. Herein, the Company has received the approval of the Department of Company Affairs for the following remuneration paid to Mr. K.D. Shah and the perquisites provided to him excluding the contribution towards Provident Fund, Gratuity & Superannuation Fund, notwithstanding that they exceed the limits prescribed in Section 2 of Part II of Schedule XIII.

Salary (Net)	46,60,000
Allowances & Perks	15,412
TOTAL	46,75,412

A copy of the approval dated March 23, 2001 so received from Department of Company Affairs is open for inspection between 11.00 a.m. to 1.00 p.m. at the Registered Office of the Company to any shareholder interested in such inspection.

Item No. 5

Mr. K.D. Shah was appointed as a President & Managing Director of the Company with effect from November 1, 1996 for a term of five years, which had since expired on October 31, 2001. During his first tenure with the Company, the Company has witnessed significant changes on the Industrial Policy front at the same time there was a significant consolidation of entities operating in the pharmaceutical business at the national and international level leading to a severe competition. Mr. K.D. Shah, under his august leadership, has provided stability to the Company in this period of upheaval while at the same time charted a direction of consolidation and growth of business.

Mr. K.D. Shah is associated with the Company for about 25 years, he is a Chartered Accountant, Law Graduate and a qualified Company Secretary. He has immensely contributed to the Company's performance in the various capacities over the years. During his just concluded term, the Company has launched a number of products in the range of Anti-biotics, Anti-histamines, Cardiac, Derma & Oncology range. It is expected that he would provide in the years ahead, a new direction to the Company so as to make it resilient to take advantage of the changing economic scene in the country.

In recognition of his contribution, he was re-appointed by the Board of Directors of the Company at their meeting held on October 23, 2001 as the President & Managing Director of the Company for a further period of five years with effect from November 1, 2001 on the terms of remuneration approved by the Board of Directors at the same meeting, within the ceiling prescribed by Schedule XIII to the Companies Act, 1956 and any statutory modification or re-enactment thereto and/or any guidelines relating to managerial remuneration as may be notified by the Government from time to time and subject to the approval of the shareholders at their General Meeting.

The principal terms of appointment and remuneration are as under:

Period of Appointment: 5 years from November 1, 2001.

- A. Nature of duties:** Mr. K.D. Shah shall exercise and perform such powers and duties as the Board of Directors of the Company shall from time to time determine and subject to any directions, supervision, control and restrictions from time to time given and imposed by the Board, he shall have the general control, management and superintendence of business of the Company and substantial powers of management of the Company.
- B. Terms of remuneration:** Subject to the overall limits of the total managerial remuneration of each year as provided under Sections 198, 269 and 309 of the Companies Act, 1956 read with Schedule XIII of the Act, the principle terms of remuneration of Mr. K.D. Shah are as under:
 - 1. SALARY:** Rs. 3,90,000/- per month in the scale of Rs.4,00,000/- to Rs.9,00,000/- effective from November 1, 2001. The increments will be decided and approved by the Board of Directors or its Committee.
 - 2. COMMISSION:** Commission not exceeding the annual salary, provided however the commission will be payable on pro-rata basis in the event of earlier cessation or termination of the appointment as may be approved by the Board of Directors or its Committee for each year. Herein no commission has been paid to Mr. K. D. Shah for the financial year 2001.

Annexure to Notice (Contd.)

3. ALLOWANCES AND PERQUISITES:

- a) In addition to the above remuneration, Mr. K.D. Shah shall also be entitled to allowances and perquisites like furnished accommodation (or House Rent Allowance in lieu thereof to the extent approved by the Board of Directors) including gas, electricity and water, medical reimbursement and leave travel concessions for self and family, club fees, medical insurance, etc. as per the rules of the Company for each year.

The allowances and perquisites shall be evaluated as per Income Tax Rules, wherever applicable. Provisions for use of Company car for official duties and telephone at residence (including payment of local calls and long distance official calls) shall not be included in the computation of allowances and perquisites.

- b) Company's contribution to Provident Fund and Superannuation Fund in aggregate shall be 27% of the remuneration. Leave encashment as per the rules of the Company. These, however, shall not be included in the computation of perquisites.
- c) Gratuity as per the rules of the Company. However, this also will not be included in the computation of perquisites.

In the event of loss or inadequacy of profits, in the financial year, during the tenure of Mr. K.D. Shah as President & Managing Director of the Company, Mr.K.D. Shah shall be entitled to receive a total remuneration including allowances, perquisites etc. not exceeding ceiling limits prescribed under Schedule XIII of the Companies Act, 1956, and such other limit as may be prescribed by the Government from time to time as minimum remuneration.

4. **SITTING FEES:** The President & Managing Director shall not be entitled to any sitting fees for attending meetings of the Board or any committee thereof.

5. **TERMINATION:** By three months notice on EITHER side.

The terms and conditions of the said appointment and remuneration may be increased, altered or varied from time to time by the Board of Directors as it may, in its discretion, deem fit so as to be in conformity with the law, for time being in force.

The above proposal does not require the approval of the Central Government under Section 309 of the Companies Act, 1956 as the appointment and remuneration payable to Mr. K.D. Shah is within the limits laid down in Schedule XIII of the Companies Act, 1956.

In compliance with the provisions of Sections 198, 269, 309 and 310 of the Companies Act, 1956, read with Schedule XIII of the Act, the appointment of Mr. K.D. Shah as the President & Managing Director and the terms of his appointment and remuneration specified above are now being placed before the members in the General Meeting for their approval.

The terms and conditions set out above should also be treated as an abstract and memorandum of interest under Section 302 of the Companies Act, 1956.

Except Mr. K.D. Shah, none of the other Directors is interested in the resolution.

Item No. 6

Article 92A is proposed to be inserted, being consequential alteration to the Articles of Association of the Company in view of recent amendment to the Companies Act, 1956, by insertion of Section 192A for passing of certain resolutions by postal ballot, by the Companies (Amendment) Act, 2000.

According to Section 31 of the Companies Act, 1956, it is necessary to pass a Special Resolution to amend any of the provisions of Articles of Association. Therefore, the Board recommends the resolution for the approval of the members. None of the Directors of the Company is deemed to be concerned or interested in the resolution.

By Order of the Board of Directors

Mumbai, March 26, 2002
Registered Office :
Oxford House
Nawroji Ferdonji Road
Apollo Bunder
Mumbai 400 001

AJAY NAGLE
Company Secretary

Directors' Report

The Directors present the Fifty-fourth Annual Report together with the audited accounts of the Company for the year ended December 31, 2001.

FINANCIAL RESULTS

	January 1, 2001 to December 31, 2001 Rupees	January 1, 2000 to December 31, 2000 Rupees
Profit/(Loss) before tax for the period amounted to	1,46,29,573	68,34,606
Profit/(Loss) after tax for the period amounted to	1,33,75,227	61,49,606
Tax Adjustments for prior years	1,85,000	—
Balance in Profit and Loss Account	61,49,606	—
Amount available for appropriation	1,97,09,833	61,49,606
Out of which the following sums have been appropriated:		
Proposed Dividend	48,00,000	—
General Reserve	15,00,000	—
Balance carried to Balance Sheet	1,34,09,833	61,49,606

DIVIDEND

The Directors recommend a Dividend at the rate of 15 % on the paid-up Equity Share Capital of the Company for the year ended December 31, 2001.

The Dividend, as recommended, if approved by the members at the Annual General Meeting, will absorb Rs. 0.48 crores and will be paid out of the profits for the year ended December 31, 2001.

OPERATIONS

Sales for the year 2001 increased to Rs.140.41 crores from Rs.134.49 crores recording a growth of 4.4%. The Profit Before Tax (PBT) for the year 2001 was Rs.1.46 crores as against Rs.0.68 crores during the previous year. The Company has been able to improve its margins by rigorous cost control. Like the year 2000 the PBT has been arrived at for the year 2001 after providing Rs.1.06 crores towards the Voluntary Retirement Scheme implemented during the previous year. But for this charge the PBT for the year 2001 would have been Rs.2.52 crores.

During the year, the Company has launched the following new products:

"VIRAFERONPEG" - This is a unique dosage form of interferon – the *pegylated interferon alfa 2b* used for the patients suffering from Hepatitis 'C'. This has a higher efficacy and better response rate compared to the other conventional interferons.

"REBETRON" – This is a combination pack of *Interferon alfa 2b* and *Ribavirin* capsules. Patients suffering from chronic Hepatitis 'C' can use the combination pack.

During the year the profit of the Company was affected due to the price reduction of the biggest selling product. The Company has since prepared alternate plan to minimise its impact and identified the productivity improvement measures.

The Auditor's comment as referred to in para 2(f) of the Auditor's Report is dealt with in Note No.1(e) annexed to the Accounts, which is self-explanatory.

DIRECTORS

Consequent upon the resignation of Mr. I.L. Price as a Director w.e.f. September 01, 2001, Mr. Alberto Surijon has been appointed in his place in the Casual Vacancy. The Board has placed on record their appreciation and gratitude for the dedicated and valuable contribution made by Mr. Price over the years.

FULFORD (INDIA) LIMITED**Directors' Report (Contd.)**

Mr. Suriyon like his predecessor is in the wholetime employment of Schering Plough Corporation (Corporation) and has over the years achieved a growth in stature and responsibility within the Corporation and succeeds Mr. Price in overseeing the Regional Operations through the office based at Singapore. Mr. Suriyon's last assignment prior to the present posting was Country Head for the Corporation's subsidiary operations in Italy. The Board welcomes Mr. Suriyon and looks forward to benefit from his international exposure with the pharmaceutical industry.

FIXED DEPOSITS

Fixed Deposits outstanding as on December 31, 2001 amounting to Rs.0.70 lakhs have matured but remain unpaid for want of requisite instructions from the Depositors concerned. The Company had taken significant efforts to locate the holders of these unclaimed deposits, and deposits amounting to Rs. 2.91 lakhs were refunded during the year.

INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956 (the Act)

Information in accordance with clause (e) of sub-section (1) of Section 217 of the Act read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended December 31, 2001 is given in Annexure I of this Report.

Information in accordance with sub-section (2A) of Section 217 of the Act read with the Companies (Particulars of Employees) Rules, 1975 forms part of the Directors' Report for the year ended December 31, 2001. However, as per the provisions of Section 219 (1)(b)(iv) of the Companies Act, 1956, the Directors' Report and Accounts are being sent to all shareholders of the Company, excluding the statement of particulars of employees under Section 217 (2A) of the Act. Any shareholder interested in obtaining a copy of the Statement may write to the Secretary at the Registered office of the Company.

In accordance with the sub-section (2AA) of Section 217 of the Companies (Amendment) Act, 2000 concerning '**Directors Responsibility Statement**' and to the best of their knowledge and belief and according to the information and explanation obtained by them, your Directors confirm that:

- i) in the preparation of Annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii) they have exercised proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) the annual accounts are prepared on a going concern basis.

AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants, retire as Auditors of the Company at the conclusion of the ensuing Annual General Meeting and according to a Certificate received from them under Section 224(1B) of the Companies Act, 1956, they are eligible for reappointment.

CORPORATE GOVERNANCE

The Company has been practising the principles of good Corporate Governance over the years and it is committed to follow sound systems to support healthy business growth.

Members are aware that the Listing Agreement with the Mumbai Stock Exchange has been amended by the insertion therein of Clause 49, which require the Company to implement the Code of Corporate Governance (the Code) more fully, described therein. Since the Company is listed in Group 'B-1' of the Mumbai Stock Exchange, we are required to comply with the Code not later than March 31, 2003.

In this regard, the Company complies with several of its contents, amongst others viz. Formation of the Investor Grievance & Remuneration Committees, matters concerning 'Board Procedure', etc. to name a few and hope to ensure compliance of the balance well within the stipulated period.

SUBSIDIARY COMPANIES

Pursuant to Section 212 of the Companies Act, 1956 the annual accounts for the year ended December 31, 2001 as also the Auditors' and Directors' Report in respect of (i) Schering-Plough (India) Private Limited, and (ii) Wellnex Pharmaceuticals Private Limited, are attached to the accounts of the Company.

FULFORD (INDIA) LIMITED



Directors' Report *(Contd.)*

As per Clause 32 of the listing agreement with the Mumbai Stock Exchange the Consolidated financial statements of the subsidiaries are also enclosed.

ACKNOWLEDGEMENT

The Directors wish to place on record their appreciation of the contribution made by the employees at all levels for their dedication and commitment to the Company throughout the year.

Your Directors take this opportunity to thank Schering-Plough Corporation, U.S.A. for their valuable guidance and support throughout the year.

For and on behalf of the Board of Directors

Mumbai, March 26, 2002.

R. A. SHAH
Chairman

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FULFORD (INDIA) LIMITED

Annexure I to the Directors' Report

Information pursuant to the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

1. Conservation of Energy

(I) Energy conservation measures taken in the recent past:

Installation and use of additional smaller size equipment to provide for choice to meet specific demands.

(II) Additional investments and proposals for reduction of energy consumption being implemented:

Nil

(III) Impact of measures (I) above for reduction of energy consumption and consequent impact on the cost of production of goods:

Nil.

(IV) Total energy consumption and energy consumption per unit of production:

A. Power and Fuel Consumption

	1-1-2001 to 31-12-2001	1-1-2000 to 31-12-2000
1. Electricity		
(a) Purchased		
Units (in '000 kwh)	332	521
Total Amount (Rs. '000)	2,250	3,345
Rate/Unit (Rs.) average	6.78	6.42
(b) Own Generation (For emergency use only)		
(i) Through Diesel Generator		
Units (kwh)	Nil	1,676
Units per Ltr. of Diesel Oil	Nil	3.50
Cost/Unit (Rs.)	Nil	4.56
(ii) Through Steam Turbine/Generator		
Units	Nil	Nil
Units per Ltr. of Fuel Oil/Gas	Nil	Nil
Cost/Fuel	Nil	Nil
2. Coal		
Qty. (Tonnes)	Nil	Nil
Total Cost	Nil	Nil
Average Rate	Nil	Nil