

MD	<input checked="" type="checkbox"/>		BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		



# INDIAN ORGANIC CHEMICALS LIMITED

**38TH ANNUAL REPORT 1997-98**

**“Request to the Shareholders”**

Members desirous of seeking any further information about the accounts and/or operations of the Company are requested to address their queries to the Secretary of the Company at least seven days in advance of the meeting so that the information, to the extent practicable, can be made available at the meeting.

Members are requested to bring this copy of the Annual Report to the meeting.



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# INDIAN ORGANIC CHEMICALS LIMITED

## Board of Directors

S.B. Ghia	<i>Chairman &amp; Managing Director</i>
M.D. Dalal	<i>Jt. Managing Director</i>
D.B. Ghia	
Jaykrishna Harivallabhdas	
F.A.A. Jasdanwalla	
S.S. Marathe	
R.B. Raheja	
Prema Prasad	<i>(Nominee of Unit Trust of India)</i>

## Secretary

S. Ramachandran

## Bankers

Bank of India  
State Bank of India  
Union Bank of India  
ABN Amro Bank N.V.  
Indian Bank  
United Commercial Bank

## Auditors

Messrs. N.M. Rajji & Co.

## Advocate & Legal Advisor

F.S. Broacha

## Registrar and Share Transfer Agents

Tata Consultancy Services,  
Lotus House,  
6, New Marine Lines,  
MUMBAI 400 020.

## Registered Office

Bhupati Chambers, 3rd Floor  
13, Mathew Road  
MUMBAI 400 004.



# INDIAN ORGANIC CHEMICALS LIMITED

## NOTICE TO SHAREHOLDERS

**NOTICE** is hereby given that the 38th ANNUAL GENERAL MEETING of the Members of INDIAN ORGANIC CHEMICALS LIMITED will be held at Jaihind College Auditorium, 'A' Road, Churchgate, Mumbai 400 020 on Wednesday, the 29th day of July, 1998, at 2.00 p.m. to transact the following business :

1. To receive, consider and adopt the audited Balance Sheet as at and Profit and Loss Account for the period ended 31st March, 1998 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. S.S. Marathe who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Rajan Raheja who retires by rotation and, being eligible, offers himself for re-appointment.

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

**"RESOLVED THAT** M/s. N.M. Rajji & Co., Chartered Accountants, be and are hereby re-appointed Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting on a remuneration to be mutually discussed and decided by the Board of Directors of the Company and other incidental out-of-pocket expenses incurred by them for the purpose of audit."

## SPECIAL BUSINESS

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

### "RESOLVED

- (a) **THAT** pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act 1956 (including statutory modifications and re-enactments thereof, for the time being in force), the Memorandum and Articles of Association of the Company, the guidelines issued by the Securities and Exchange Board of India (SEBI) with regard to preferential issue of shares, Securities and Exchange Board of India (Substantial Acquisition of Shares and Take overs) Regulations 1997 (hereinafter referred as SEBI Takeover Regulations),

and subject to approvals, if required, of statutory or other authorities and agencies and subject to such terms, conditions and modifications as may be prescribed in granting such approvals and as are agreed to by the Board of Directors of the Company (hereinafter called "the Board" which term shall be deemed to include any Committee of Directors which the Board may constitute) the consent of the Company be and is hereby accorded to the Board to issue, offer and allot on preferential allotment basis 30,27,360 equity shares of the face value of Rs. 10/- each for cash at a price to be determined in accordance with SEBI Guidelines on Preferential Issues of 4th August, 1994 as modified from time to time or Rs.10/- per share whichever is higher to Bloomingdale Investment Finance Pvt Ltd, a company which is deemed to be a person acting in concert with the promoters as defined in the SEBI Takeover Regulations at such time or times as the Board may in its absolute discretion decide;

- (b) **THAT** the equity shares so issued and allotted shall rank pari passu in all respects with the existing equity shares of the Company excepting that with regard to dividend, if any, declared by the Company during the financial year in which such new equity shares are allotted, they shall be eligible for dividend pro rata for the period beginning from the date of allotment of the shares;
- (c) **THAT** application will be made to the Bombay Stock Exchange for listing and permission to deal with the new equity shares;
- (d) **THAT** for the purpose of giving effect to the above, the Board be and is hereby authorized to determine the price for issue of shares and agree to and make and accept all such conditions, modifications, and alterations stipulated by any relevant authorities while according approvals or consents to the issue as may be considered necessary, proper or expedient and to take all actions as may be necessary, desirable or expedient to effect such modifications and to resolve and settle all questions and difficulties that may arise in the proposed issue and allotment or allotments of the new equity shares and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in their absolute discretion deem fit without being required to seek any further consent or approval of the Company or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

## 38TH REPORT 1997-98

### NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.
2. Proxies in order to be effective should be lodged at the Company's Registered office atleast 48 hours before the commencement of the meeting.
3. The relevant Explanatory statement pursuant to the provisions of Section 173 of the Companies Act, 1956 in respect of Item No.5 is annexed hereto.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 14th July, 1998 to 29th July, 1998 (both days inclusive).
5. In accordance with the provisions of Section 205A of the Companies Act, 1956 the Company has transferred the unclaimed dividends to the General Revenue Account of the Central Government for and upto the Financial Year 1993-94 amounting in the aggregate to Rs.2,54,124.98. The concerned

members may therefore submit their claims in the prescribed manner/form to the Registrar of Companies, Maharashtra, Hakoba Compound, Bombay Industrial Estate, Kalachowki (East), Chinchpokli, Mumbai 400 034, in case they have a valid claim to any of the unclaimed dividends referred to above. Members who have not received dividend for the year 1994-95 may immediately write to the Registered Office of the Company.

Registered Office:  
Bhupati Chambers, 3rd Floor  
13, Mathew Road  
Mumbai 400 004.

By Order of the Board

**S. Ramachandran**  
Company Secretary

Dated: 26th June, 1998

### ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

#### ITEM NO. 5

The paid up share capital of the company as per Balance Sheet as on 31st March 1998 consists of 3,34,72,640 equity shares of Rs. 10/- each. In order to reduce the high interest burden on the Company it becomes necessary to meet, to the extent possible, the working capital requirements of the Company through inflow of interest free funds and gradually repay high cost borrowings. In pursuance of this objective and in view of the depressed capital market and carried forward losses of the Company, the promoters and persons acting in concert with the promoters have decided to infuse further funds into the Company through issue of 30,27,360 equity shares of the face value of Rs. 10/- for cash (New Equity Shares) at a price to be determined in accordance with the guidelines issued by the Securities and Exchange Board of India (SEBI) for preferential allotment of shares by the Companies or Rs.10/- per share whichever is higher. The New Equity Shares will be issued to Bloomingdale Investment Finance Pvt Ltd, a company that belongs to Mr. Rajan Raheja (director of the Company) group and deemed to be a person acting in concert with the promoters.

Disclosures under Regulation 3(1)(ii) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations 1997:-

Number of Equity shares to be issued will be 30,27,360 equity shares of the face value of Rs. 10/- each. The price at which the shares are to be issued will be determined in accordance with SEBI guidelines on preferential issue of shares or Rs.10/- per share whichever is higher. The shares will be issued to Bloomingdale Investment Finance Pvt. Ltd. (hereinafter referred to as allottee) a person deemed to be acting in concert with the promoters and a company belonging to Mr. Rajan Raheja (director of the Company) group. After the issue of the New Equity Shares

the percentage shareholding of the allottee in the Company would increase from the present 3.78% of the existing capital to 11.76% of the expanded capital. The issue is proposed to be made to infuse interest free funds into the Company. There will be no change in the Board of Directors or the management or control of the Company as a result of the proposed issue of shares. The voting rights of the promoters and persons acting in concert with the promoters would, however, increase to the extent of the New Equity Shares proposed to be issued. The existing shareholding pattern of the Company and the shareholding pattern after allotment of New Equity Shares are as follows:

- i) Existing shareholding pattern : Promoters and persons acting in concert with the promoters 24.96%, Financial Institutions 28.67%, Foreign financial institutions, Mutual funds and Banks 2.27%, public 44.10%
- ii) Shareholding pattern after allotment of New Equity Shares : Promoters and persons acting in concert with the promoters 31.19%, Financial Institutions 26.29%, Foreign financial institutions, Mutual funds and Banks 2.08%, public 40.44%

The Directors recommend for approval the Special Resolution. Mr. S.B. Ghia, Mr. D.B. Ghia, Mr. M.D. Dalal and Mr. Rajan Raheja, directors of the Company, may be considered as concerned or interested or deemed to be concerned or interested in the Resolution. None of the other Directors of the Company is interested or concerned in the Resolution.

Registered Office:  
Bhupati Chambers, 3rd Floor  
13, Mathew Road  
Mumbai 400 004.

By Order of the Board

**S. Ramachandran**  
Company Secretary

Dated: 26th June, 1998



# INDIAN ORGANIC CHEMICALS LIMITED

## DIRECTORS' REPORT

To  
The Members,

Your Directors submit the 38th Report of the Company alongwith the Audited Statement of Accounts for the period ended 31st March, 1998.

### FINANCIAL RESULTS

	(Rupees in lacs)	
	1997-98 (6 months)	1996-97 (18 months)
Gross Profit/(Loss) before interest & depreciation	1628.80	(343.31)
Interest	1446.49	3998.85
Depreciation	635.42	1883.27
Operating Profit/(Loss)	(453.11)	(6225.43)
Less : Voluntary Retirement Scheme	35.02	82.27
Profit/(Loss) before tax	(488.13)	(6307.70)
Provision for tax	5.00	5.00
Profit/(Loss) after tax	(493.13)	(6312.70)
Balance of Profit/(Loss) brought forward from previous year	(4575.41)	-
Deficit	(5068.54)	(6312.70)
Transferred from General Reserve	-	1737.29
Balance carried to Balance Sheet	(5068.54)	(4575.41)

### 2. DIVIDEND

In view of the loss incurred by the Company for the period under review your Directors do not recommend declaration of any Dividend.

### 3. OPERATIONS

In the Directors' Report for the eighteen months period ended 30th September, 1997 the reasons for extending the year were explained. Thereafter, it was decided to revert back to the normal accounting period upto 31st March. As such the Balance Sheet and Profit & Loss Account have been prepared for the six months period ended 31st March, 1998. The industrial environment continues to remain unchanged with the slowing down of the economy and severe competition arising out of surplus capacity created in the manufacture of Polyester Staple Fibre. The Company has been able to maintain the turnover (on annualised basis) for the period under review at the same level as that of the previous period. Severe liquidity crunch, erosion in margins and the consequent higher borrowings have resulted in higher interest burden

on the Company. However, for the six months period ended 31st March, 1998, as compared with the eighteen months period ended 30th September, 1997, and after including other income, following improvements are seen on an annualised basis. The net loss after depreciation and interest is Rs.4.93 crores for the six months period ended 31st March, 1998 as compared with Rs.63.13 crores for the previous 18 months period. On an annualised basis this works out to Rs.9.86 crores for the period under review compared to Rs.42.08 crores during previous period i.e. reduction of 76% compared to last year. When computed and compared on an annualised basis the Company has made a cash profit (i.e. after excluding depreciation) of Rs.2.84 crores during the six months period ended 31st March, 1998 as compared with a cash loss of Rs.29.52 crores during the previous period. Several measures are being taken to reduce expenses including employee cost and administrative overheads. A package of measures to reschedule the existing loans and interest and assist the Company to overcome the present loss situation, has been made to financial institutions and it is



## 38TH REPORT 1997-98

hoped that with their support and cooperation the Company should be able to tide over the present difficulties. Efforts are also being made to obtain loans/assistance from Banks for funding Voluntary Retirement Schemes.

### (A) Chemicals Division :

The factors which affected the performance of the Company during the 18 months period ended 30th September, 1997 namely lower price realisation and general slow down of the economy continued to have the same impact on the operations of the division. However, the Company managed to maintain the overall turnover of the division at the same level. The production and sale of Alcohol based Chemicals especially Acetic Acid, Acetic Anhydride and Glyoxal have shown improvement. The increase in the price of Alcohol, exchange rate fluctuation and high interest burden affected profitability. During the period under review, the division continued commercial production of Parahydroxy Phenyl Glycine Dine Salt, started supplying the same to customers and its quality has been well accepted in the market. Efforts are being made to tie up with internationally renowned chemical companies for development of new projects in our R&D Department on cost sharing basis. If these projects become successful and viable they would help to keep the plant fully utilised assuring better profit margins.

The turnover of the Agro Division continued to be low for the lean season and due to inadequate rainfall in Andhra Pradesh and Karnataka. The high inventory build up and overdues from the debtors have affected the profitability of the division.

### (B) Futura Synthetics Division:

The fortunes of the Polyester Staple Fibre industry have been fluctuating with improvement in market at times followed by deceleration. Though the overall offtake of polyester staple fibre has shown improvement, the price level is still low and is a cause for concern. The imposition of special additional customs duty on imports in the Central Budget and depreciation in the value of Rupee would add to cost of production since PTA and MEG, principal raw materials used for the production of Polyester Staple Fibre, are imported by the Company. The Company's strategy to

concentrate on its core strength viz. increased use of recycled raw materials and thrust on exports would go a long way in helping the Company to face severe competition. All out efforts are being made to concentrate on production of speciality fibres, increase use of recycled raw materials, lowering costs of production and utilise the Master batch plant to the maximum. Efforts are still on to sell the POY plant and other surplus assets to help reduce standing costs which presently add to the Company's loss.

### 4. SUBSIDIARY COMPANY

Statement under Section 212 of the Companies Act in respect of the subsidiary company is attached to this Annual Report.

### 5. FIXED DEPOSITS/LOANS

As on 31st March, 1998, the Company had an aggregate sum of Rs.6,56,43,000/- as fixed deposits and /loans from shareholders. The total number of depositors/shareholders who have not claimed/renewed their deposits/ loans on maturity was 568 and the amount that remained unclaimed/ not renewed was Rs. 37,58,000/-; of these, deposits/loans amounting to Rs. 7,78,000/- have since been either repaid or /renewed.

### 6. INSURANCE

Plant and machinery, raw materials and finished goods at the factories of the Company have been adequately insured.

### 7. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

The particulars prescribed by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are furnished in the Annexure to this Report.

### 8. PERSONNEL

The particulars of employees as required to be disclosed under the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended by the Companies (Particulars of Employees) Rules, 1994 are furnished in the Annexure to this Report.

9. Industrial relations remained by and large cordial throughout the year. The Directors wish to place on record their appreciation of the valuable services



# INDIAN ORGANIC CHEMICALS LIMITED

rendered by the workmen, staff and officers at all levels.

## 10. DIRECTORS

Mr. S.S. Marathe and Mr. Rajan Raheja retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for reappointment. Dr. V.P. Shah relinquished the Directorship as nominee of The Industrial Credit & Investment Corporation of India Limited (ICICI) as the Company has no outstanding loans with ICICI. Mr. C.C. Ganapathy has relinquished directorship of the Company due to health reasons. The Board places on record its appreciation for the valuable services rendered by Dr. V.P. Shah and Mr. C.C. Ganapathy to the Company.

## 11. AUDITORS

You are requested to appoint auditors for the current year. M/s. N.M. Rajji & Co., Chartered Accountants, retire and are eligible for reappointment.

## 12. COST AUDITOR

The Central Government had directed that audit be carried out of the Cost Accounts maintained by the Company in respect of Polyester Division by a qualified Cost Accountant. The Directors, subject to the approval of the Central Government, have appointed Mr. P.D. Dani of P.D. Dani & Co. as Cost Auditor.

## 13. ACKNOWLEDGEMENTS

Your Directors place on record their appreciation of the continuous support received from the Shareholders. Your Directors also express their appreciation for the assistance and cooperation received from several departments of the Governments at the Centre as well as of States, Local authorities, Financial Institutions and Banks during the period under review.

For and on behalf of the Board

Mumbai  
Dated : 17th June, 1998

**S.B. GHIA**  
Chairman

Report  junction.com



## 38TH REPORT 1997-98

INFORMATION AS PER SECTION 217(2A) READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AS AMENDED BY THE COMPANIES (PARTICULARS OF EMPLOYEES) (AMENDMENT) RULES, 1990 AND 1994 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE 6TH MONTHS PERIOD ENDED 31ST MARCH, 1998.

(a) Employed throughout the period under review and were in receipt of remuneration aggregating to Rs. 3,00,000/- or more per annum.

Sr. No.	Name	Age	Qualification	Designation & Nature of Duties	Remuneration	Experience (years)	Date of Commencement of Employment	Particulars of Previous Employment
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
(a) Employed throughout the period under review and were in receipt of remuneration aggregating to Rs. 3,00,000/- or more per annum.								
1	Mr. Adityapak R.M.	46	B.Com.	General Manager (Sales), C.D.	211368	26	6.9.71	—
2	Mr. Ambrose C.J.	49	B. Tech. (Chem)	Vice President, F.S.D.	282699	26	6.9.71	Chemical Eng. Trainee, Madras Refineries Ltd.,
3	Mr. Bhav S.V.	44	B.A., L.L.M., M.P.M.	General Manager (Personnel & Adm.), C.D.	204312	21	31.8.85	Personnel Executive, D.M.C. Co. Ltd., Roha
4	Mr. Brocha F.S.	59	B.A. LL.B. (Hons) (Advocate)	Legal Advisor - C.O.	675012	34	1.8.73	Legal Officer, Merchant Banking Div., Grindlays Bank
5	Mr. Chatterjee S.B.	44	B.Com. (Hons.) A.C.A., A.C.S.	President (Finance) C.O.	399409	19	7.10.94	Financial Controller-cum-Company Secretary - Amp Tools (India) Pvt. Ltd.
6	Mr. Dalal M.D.	41	B.Sc. (Hons) M.S. (MT) U.S.A.	Jt. Managing Director	445030	17	11.9.80	—
7	Mr. Das G.K.	39	B.Tech. IIT, Kharagpur, MBA, IIM-A	Sr. Manager Marketing (Agro)	170332	14	3.12.96	Sales Manager, Pesticides Div., Volas Ltd.
8	Mr. Desai A.V.	43	B.A., LL.B., M.L.S., Dip. in Trg. & Devp., Dip. in TU&IR	Sr. Manager - HR & Adm. C.O.	178295	16	21.11.94	Manager (Personnel & Administration), NOCIL
9	Mr. Gethonde S.B.	42	M.Chem. Engg. UDCT - Mumbai	General Manager (Projects & Process Engg.) C.D.	273299	18	16.5.96	DGM Production Herdilla Chemicals
10	Mr. Ghia S.B.	50	B.Sc. Chem., M.B.A. Bowling Green University, U.S.A.	Chairman & Managing Director	514110	26	1.3.72	—
11	Mr. Gupta R.K.	40	M.Tech. IIT, Delhi	General Manager (Marketing) F.S.D.	224341	19	1.7.91	Marketing Executive Chika Ltd.
12	Mr. Karnik S.V.	50	L.T.M. VJTI	Sr. Man. (Marketing) F.S.D.	158174	28	1.9.86	Officer, Sales & Technical Services Indochem Ltd.
13	Mr. Mahesh S.G.	60	B.Sc., B.S.Ch. E (U.S.A.)	President (Chemicals & Agro Divisions) C.D.	626156	38	1.4.68	Tech. Sales Rep., Chika Ltd.,
14	Mr. Muzumdar A.A.	52	B.E. (Mech) D.O.M., F.I.E., M.E., A.S.M.E., Dip. in Bearing Technology	Vice President (Works) C.D.	249143	31	30.4.90	Dy. Chief Engineer, Herdilla Chemicals Ltd.
15	Mr. Manickan R.	48	B.A.	Sr. Manager Commercial F.S.D.	153185	25	26.12.72	Junior Clerk-cum-Typist, Paint Co.
16	Mr. Naik R.M.	40	B.E. (Electrical) D.B.M	General Manager (Commercial) C.D.	216194	17	16.4.90	Materials Manager, Tata Honeywell Ltd.
17	Mr. Nanda S.C.	37	M.Com., LL.B. F.C.A., A.C.S.	General Manager (Finance & Accounts) C.D.	184413	16	13.1.96	Divl. Manager (Finance & Accounts) Ranbaxy Laboratories Ltd.
18	Mr. Panneerselvam J.	50	B.A. (Econ.), PG. Dip. in I.R.	Jt. Vice President (Works) F.S.D.	270961	26	18.1.91	Personnel Manager, Audco India Ltd.
19	Mr. Patel S.H.	38	B.Com., LL.B., A.C.A., A.C.S.	General Manager (Finance) C.O.	183975	11	18.10.94	Manager - Taxation, Khimline Pumps Ltd.
20	Mr. Ramachandran S.	53	B.A., B.G.L., M.A.M., F.C.S.	Company Secretary, C.O.	380681	31	2.6.95	Executive Vice President (Corporate Affairs) Cable Corporation of India Ltd.
21	Mr. Ramakrishna V.	50	B.Sc., M.Tech.	General Manager Spl. Assignments, F.S.D.	189137	26	15.6.71	Nil.
22	Mr. Rangarajan S.	49	B.E. (Mech.) P.G. Dip in MGT	Vice President (Operations) Delhi	304980	28	31.10.86	Purchase Manager, Kunal Machinery, Mins. Ltd.
23	Mr. Rao N.V.	56	Pre-University Examination	Dy. Manager Administration	150898	35	1.4.81	Secretary to Chief Executive, Agfa Gevaert India Ltd.
24	Dr. Sahu B.	46	M.A., PMIR Ph.D. (Mngt. and Org. behavior)	President - HRD & Adm. C.O.	429435	23	2.4.85	Professor, N.I.T.E. Bombay
25	Mr. Shah R.M.	55	D.M.E., B.E.	Vice-President Spl. Assignments, F.S.D.	286972	31	1.10.71	Engineer (Maint.), Boehringer Knoll Ltd.
26	Dr. Srinivasan R.	60	M.Sc. (Organic Chemistry) Ph.D.	Jt. Vice President - (R&D), C.D.	247875	38	29.5.64	Sr. Scientific Asst., Shriram Inst. Ind. Research
27	Mr. Swaminathan S.	54	B.Sc. D.M.I.T.	Vice President (Special Assignments) F.S.D.	260608	31	1.6.71	Instrument Foreman, ACCI Ltd.
28	Mr. Tumbe M.N.	56	M. Text.	President, F.S.D.	579911	34	3.4.84	Mgr. Fibre Dwn., Chika Ltd.
29	Mr. Turakhia M.C.	57	B.Sc., M.Sc.	Gen. Manager, (Tech. Sev. & Qlty. Mgt.), F.S.D.	198013	34	25.6.71	Lab. Incharge, Chemicals & Fibres of India Ltd.
30	Dr. Wagle R.D.	53	B.Tech., M.Tech. Ph.D. (Chem. Engg.)	Gen. Manager (Business Dev.) F.S.D.	211002	28	1.1.85	Manager (R&D), Man Singhla Inds. Ltd.

(b) Employed for part of the period and were in receipt of Remuneration aggregating to not less than Rs.25,000/- per month.

1	Mr. Jayaram R.	46	B.sc.	Lab Supervisor, F.S.D.	429132	25	1.12.72	—
2	Mr. Koppikar C.L.	54	B.E. (Chem), PGDM (IIMC)	Vice President, Works - C.D.	561900	29	11.2.85	Works Manager, DMC Co. Ltd.
3	Mr. Laxminarayana T.V.	56	S.S.L.C.	Supervisor C.D.	308893	36	6.11.67	Steno-Typist, T.T. Krishnamacharya & Co.
4	Mr. Majethia R.H.	51	B.Com., A.C.A., AMIMA	General Manager - (Accounts & Taxation) C.O.	197930	28	1.3.74	Officiating Accountant, Khopoli Steel, Prop. Tapuria Sons Pvt. Ltd.
5	Mr. Padmasekar R.	37	SSLC	Operator, F.S.D.	242846	14	13.12.83	—
6	Mr. Prabhakaran A.S.	49	SSLC	Operator, F.S.D.	227266	14	31.1.84	—
7	Mr. Sivasubramaniam	48	M.A.B.L.	Operator, F.S.D.	380489	25	19.3.73	—

### NOTES:

i) The nature of employment in all cases is contractual.

ii) Remuneration as shown above includes salary, bonus, house rent allowance or expenditure on accommodation, leave salary, Company's contribution to P.F. and Superannuation Fund, leave travel, medical and other perquisites in kind valued at Income-Tax rates.

iii) None of the above employee is a relative of any Director of the Company, except Mr. S.B. Ghia, Chairman & Managing Director is related to Mr. D.B. Ghia, Director.

C.D. represents - Chemicals Division, F.S.D. represents - "Futura" Synthetics Division C.O. represents - Corporate Office.



# INDIAN ORGANIC CHEMICALS LIMITED

## INFORMATION AS PER SECTION 217(1)(e) OF THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE PERIOD ENDED 31/3/1998.

### A) CONSERVATION OF ENERGY

- (a) Energy conservation measures taken : The Company undertook various energy conservation measures at its manufacturing units which, inter-alia, include (1) Installation of Magnetic Resonator to reduce the fuel consumption in the furnace, (2) Installation of Group traps in Drawlines for reducing steam consumption, (3) Modification of Air Preheater to reduce furnace oil consumption, (4) Optimization of blower capacity of Acetaldehyde plant, (5) Elimination of pumps for circulation of hot water to cooling tower.
- (b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy
- (1) Installation of hire efficiency pumps & FRP fans for cooling tower.
  - (2) Vapour Absorption chiller with process integration.
  - (3) Flash steam recovery.
  - (4) DG flue gas heat recovery.
  - (5) Economiser for boiler flue gas heat recovery.
- (c) Impact of the measures as (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.
- The measures taken will help in bringing down power and fuel consumption per unit and deduction of energy consumption and consequent impact on cost of production of goods during the years.
- (d) Total energy consumption and energy consumption per unit of production as per Form A.

### FORM - A FORM OF DISCLOSURE WITH RESPECT TO CONSERVATION OF ENERGY

#### I) POWER AND FUEL CONSUMPTION

	1997-98 (6 months)	1996-97 (18 Months)
<b>1) Electricity</b>		
(a) Purchased		
Unit (KWH in Lacs)	54.47	288.50
Total amount (Rs. in Lacs)	226.47	987.71
Rate/Per unit Rupees	4.00	3.36
(b) Own Generation		
i) Through diesel generator		
Unit (KWH in Lacs)	152.08	293.00
Unit per Ltr. of diesel oil	2.85	5.77
Cost/Per unit (Rupees)	3.74	3.27
<b>2) FURNACE OIL &amp; LSHS</b>		
Quantity (K.Ls.)	6701.25	21674.89
Total amount (Rs. in Lacs)	404.08	1421.40
Average rate (Rs. per Ltr.)	6.07	6.56

#### II) CONSUMPTION PER UNIT OF PRODUCTION

Name of Product		
i) Chemicals		
Electricity KWH/KG	0.450	0.313
Furnace Oil KL/MT	0.257	0.236
ii) Polyester Staple Fibre		
Electricity KWH/KG	1.32	1.52
Furnace Oil KL/MT	0.35	0.43
iii) Polyester Filament Yarn		
Electricity KWH/KG	-	-
Furnace Oil KL/MT	-	-

### B) TECHNOLOGY ABSORPTION

#### (I) EFFORTS MADE IN TECHNOLOGY ABSORPTION RESEARCH & DEVELOPMENT

1. Specify areas in which R & D carried out by the Company (a) Development of speciality fibres, (b) Improvement in Effluent treatment operations with a view to providing cleaner environment (c) development of temperature resistant moulding grade polyester. (d) Development of technology for conversion of waste into value added products. (e) Incorporation of sophisticated systems to improve quality and productivity. (f) Effectively absorb technology of HPG-DS from HPG base as provided by M/s. Kaneka Corporation, Japan. (g) Performing application oriented verifications of our products for better customer services. (h) Optimise process technology for speciality chemicals.
2. Benefits derived as a result of above R & D
  - (a) Improvement on productivity of plant and machinery, optimization in using utilities thereby effecting cost saving. (b) Helping in Import substitution. (c) Adopting state of the art technologies. (d) Providing cleaner environment. (e) Saving of Foreign Exchange on import of technology. (f) Flexibility in the use of various Raw-materials. (g) Increased turnover.
3. Future plan of action
  - (a) Development of new products and processes. Improve productivity and reduce cost.
  - b) Absorb new technologies for -
    - Pharma intermediates,
    - Aroma chemicals.
    - Organic chemicals.
    - Agro Products.
  - c) Through (b) achieve gainful import substitution.
  - d) Procure and adapt State of the Art technologies
4. Expenditure on R & D
  - (a) Capital (Rs. in lacs)
  - (b) Recurring (Rs. in lacs)
  - Total
  - (c) Total R & D expenditure as percentage of turnover.

18.85  
18.85  
0.17%

#### (II) TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

- a. Efforts, in brief, made towards technology absorption, adaptation & innovation.
  - (a) New Technology for recycling polyester bottle waste. (b) Low pill fibre production, commercialised on a large scale. (c) Black master batch production. (d) Dope dyed black PSF production using Master Batch Technique. (e) Productivity improvement from batch polymerisation plant. (f) Upgradation of the absorbed technology for HPG-DS. (g) Providing application oriented assistance for our products. (h) Achieve pollution free environment.
- b. Benefits derived as a result of the above efforts.
  - (a) The efforts in these areas have helped the Company in improvement in quality, Waste reduction, product development, process development, import substitution, cost reduction and energy conservation. (b) Import substitution.
- c. Particulars of imported technology in last 5 years reckoned from the beginning of the financial year Technology know-how imported for (a) Manufacture of Solid State Polymer Chips (SSP). (b) Process for HPG & HPG-Dane salt. (c) Master batch chips production. Has technology been fully absorbed? Absorption of technology at commercial level fully achieved for HPG-Dane salt. Absorption of technology for Manufacture of Solid State Polymer Chips (SSP and Master batch chips production completed).
- d. If not fully absorbed areas where this has not taken place and future plan of action

Not applicable.

#### (C) FOREIGN EXCHANGE EARNINGS & OUTGO

- (1) Activities relating to exports, initiative taken to increase exports, development of new export markets for products and services; and export plans. Efforts are being made to develop new export markets.
- (2) Total foreign exchange used and earned.

	Rs. in lacs
Total foreign exchange used	1338.00
Total foreign exchange earned.	1357.93