

**NORTON**

**GRINDWELL NORTON LTD.**

**Sustained Growth**



# **62nd Annual Report 2011-2012**

# TEN YEAR FINANCIAL HIGHLIGHTS

(₹ Lacs)

	2002	2003	2004	2005	2006	2007	2008	Jan 2009 Mar 2010 (15 Months)	2010-11 <sup>&gt;</sup>	2011-12
Sale of Products	22465	25449	30135	36049	42129	49701	55553	74504	83763	95132
Profit Before Interest, Tax and Extraordinary Items	2676	3210	4378	5368	6865	8255	7972	13028	12597	14935
Profit After Tax and Extraordinary Items	1805	2042	2918	3540	4602	13351 +	5501	8751	8563	10363
Share Capital	1384	1384	1384	1384	2768	2768	2768	2768	2768	2768
Reserves and Surplus *	11412	12440	13779	15579	16590	24759	27669	32546	37249	43429
Total Debts	843	370	139	61	226	227	-	-	-	-
Net Fixed Assets *	5830	5806	6377	6898	12116	14877	17688	18497	19535	27476
Net Working Capital	3023	2491	1902	2826	2532	5154	6914	12612	17653	14168
Earnings Per Share (₹) #	3.26	3.69	5.27	6.40	8.31	10.21 ^	9.94	15.81	15.47	18.72
Dividend Per Share (₹) #	1.50	1.63	2.50	2.75	3.50	8.00 □	4.00	6.00	6.00	6.50
Book Value Per Share (₹) * #	23.11	24.97	27.38	30.64	34.97	49.72	54.98	63.79	72.28	83.45

## KEY RATIOS

Return on Investment (%)	18.71	21.86	27.93	30.84	34.48	29.34	25.82	28.85 @	30.78	31.59
Return on Sales (after Tax) (%)	8.03	8.02	9.68	9.82	10.92	11.37 ^	9.90	11.75	10.22	10.89
Operating Margin (%)	11.91	12.61	14.53	14.89	16.30	16.61	14.35	17.49	15.04	15.70
Asset Turnover	1.57	1.74	1.92	2.07	2.12	1.77	1.80	1.65 @	2.05	2.01
Debt Equity Ratio	0.07	0.03	0.01	-	0.01	0.01	-	-	-	-
Current Ratio	1.53	1.40	1.24	1.32	1.22	1.34	1.49	1.78	2.07	1.64

+ PAT without Extraordinary Item ₹ 5651 Lacs

# Based on the enhanced capital & Sub-divided Face Value of ₹5 each

□ Includes special interim dividend of ₹ 4.00

> Figures re-cast wherever necessary

\* Without Revaluation Reserve

^ Based on Profit After Tax without Extraordinary Item

@ Annualised

**Bankers**

Central Bank of India  
ICICI Bank

**Auditors**

Kalyaniwalla & Mistry,  
Chartered Accountants

**Registrars & Transfer Agents**

TSR Darashaw Limited  
6-10, Haji Moosa Patrawala Ind.  
Estate,  
20, Dr. E. Moses Road,  
Mahalaxmi,  
Mumbai - 400 011  
Tel. No.: 022-6656 8484  
Fax No.: 022-6656 8494

**Registered Office**

Leela Business Park, 5th Level,  
Andheri-Kurla Road,  
Marol, Andheri – East,  
Mumbai - 400 059.  
Tel. No.: 022-4021 2121  
Fax No.: 022-4021 2102

**Factories**

1. Mora, Dist. Raigad,  
Maharashtra
2. Bangalore, Karnataka
3. Tirupati, Andhra Pradesh
4. Nagpur, Maharashtra
5. Bated, Dist. Solan,  
Himachal Pradesh
6. Halol, Gujarat  
(under construction)

**DIRECTORS**

(As on 23rd May, 2012)

**Mr. A. C. CHAKRABORTTI**

(Chairman)

**Ms. M-A. CHUPIN**

**Mr. J-P. FLORIS**

**Mr. P. MILLOT**

**Mr. M. M. NARANG**

**Mr. J. A. J. PEREIRA**

(Alternate to Ms. M-A. Chupin)

**Mr. S. SALGAOCAR**

**Mr. P. SHAH**

**Mr. G. TEXIER**

**Mr. A. Y. MAHAJAN**

(Managing Director)

**DIRECTOR EMERITUS**

**Mr. N. D. SIDHVA**

**MANAGEMENT COMMITTEE**

**Mr. J. A. J. Pereira**

(HR & Corporate Services)

**Mr. K. K. Prasad**

(Ceramics & Plastics)

**Mr. M. A. Puranik**

(Finance & IT)

**Mr. M. Ramarathnam**

(Projects & EHS)

**Mr. N. Sreedhar**

(Abrasives)

**COMPANY SECRETARY**

**Mr. K. Visweswaran**

**Contents**

Notice	2
Directors' Report	5
Management Discussion & Analysis Report	10
Report on Corporate Governance	14
Auditors' Certificate on Corporate Governance	20
Report of the Auditors	21
Balance Sheet	24
Statement of Profit & Loss	25
Notes Forming Part of the Accounts	26
Cash Flow Statement	48
Information on Subsidiary Company	50
Auditors' Report on Consolidated Financial Statements	51
Consolidated Balance Sheet	52
Consolidated Statement of Profit & Loss	53
Notes Forming Part of the Consolidated Accounts	54
Consolidated Cash Flow Statement	74

## NOTICE

NOTICE is hereby given that the 62nd Annual General Meeting of the Members of Grindwell Norton Limited will be held on Thursday, 26th July, 2012 at 12.00 Noon at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikushru Dubash Marg, (Rampart Row), Mumbai - 400 001 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report, the Auditors' Report and the Audited Balance Sheet and Statement of Profit and Loss, together with Notes and Cash Flow Statement of the Company for the year ended 31st March, 2012.
2. To declare a dividend for the year ended 31st March, 2012.
3. To appoint a Director in place of Mr. S. Salgaocar who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. P. Shah who retires by rotation and being eligible, offers himself for re-appointment.
5. To re-appoint Auditors and to fix their remuneration and in this regard, to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. Kalyaniwalla & Mistry, Chartered Accountants, (Firm Registration No. 104607W), be and are hereby appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as shall be fixed by the Board of Directors."

### SPECIAL BUSINESS

6. Appointment of Mr. G. Texier as Director :

To appoint a Director in place of Mr. G. Texier who holds office up to the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 read with Article 112 of the Articles of Association of the Company and being eligible, offers himself for appointment and in respect of whom the

Company has received a notice in writing from a member proposing the candidature of Mr. G. Texier for the office of Director.

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

"RESOLVED THAT in accordance with the provisions of Section 309(4) and other applicable provisions, if any, of the Companies Act, 1956, and Article 116(2) of the Articles of Association of the Company, the non-whole time directors (excluding the directors who are nominees of Compagnie de Saint-Gobain or its subsidiaries) be paid a commission to be divided amongst them in such manner as the Board of Directors (the Board) may from time to time determine, of such amount not exceeding one percent of the net profit of the Company, computed in the manner prescribed under the provisions of the Companies Act, 1956, for a period of not more than five years commencing from 1st April, 2013.

FURTHER RESOLVED THAT the aforesaid commission shall be in addition to the sitting fees and/or out of pocket expenses payable to such directors for each meeting of the Board or Committees of the Board attended by such directors.

FURTHER RESOLVED THAT the Board be and is hereby authorized to take such steps as may be necessary, desirable or expedient to give effect to this Resolution."

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

"RESOLVED THAT Mr. A. C. Chakraborti, Director who retires at this Annual General Meeting by rotation and does not seek re-election, be not reappointed and the resulting vacancy be not filled up."

23rd May, 2012

Registered Office :  
Leela Business Park,  
5th Level, Andheri-Kurla Road,  
Marol, Andheri (East),  
Mumbai - 400 059

By Order of the Board

**K. VISWESWARAN**  
COMPANY SECRETARY

**NOTES :**

- (a) **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 OF THE COMPANY.**
- (b) **PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- (c) The Register of Members and Share Transfer Books of the Company will be closed from Tuesday, 19th June, 2012 to Friday, 22nd June, 2012 (both days inclusive).
- (d) The explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of the business under item nos. 6, 7 and 8 are annexed hereto.
- (e) As per the amended provisions of the Companies Act, 1956, the interim dividend remaining unclaimed or unpaid for the financial year ended 31st December, 2003 had been transferred to the Investor Education and Protection Fund (Fund) of the Central Government on 3rd June, 2011. The unpaid/unclaimed dividend, declared for the financial year ended 31st December, 2004 will be due for transfer to the said Fund after 26th May, 2012. The Unpaid Dividend for all the subsequent years will be transferred to the Fund, on expiry of seven years from their respective dates of transfer to the 'Unpaid Dividend Account'. Members who have not yet realized the dividend declared for the year ended 31st December, 2005 and all subsequent financial years, are once again requested to make their claims immediately to the Company or to the Company's Registrars & Transfer Agents – TSR Darashaw Limited (TSRDL).
- (f) The facility for making nomination is available to the Members in respect of the shares held by them.
- (g) All documents referred to in the Notice and Explanatory statement are open for inspection to the members at the Registered Office of the Company between 11:00 a.m. and 1:00 p.m. on all working days upto the date of this Annual General Meeting.
- (h) (i) Copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copy of the Annual Report to the meeting.
- (ii) Members desirous of seeking any further information about the accounts and/or operations of the Company are requested to address their queries to the Company Secretary of the Company at least ten days in advance of the meeting, so that the information, to the extent practicable, can be made available at the meeting.
- (iii) Members holding shares in the same set of names under different Ledger Folios are requested to apply for consolidation of such folios along with relevant share certificates to TSRDL.
- (iv) Members are requested to immediately intimate the change, if any, in their registered address to TSRDL.

## ANNEXURE TO THE NOTICE

Notes on the directors seeking appointment/re-appointment, as required under Clause 49 of the Listing Agreement, entered into with Stock Exchanges.

### Item No. 3

Mr. S. Salgaocar is 57 years old and holds a degree in Science from the University of Mumbai and has done his Masters in Management Studies from Jamnalal Bajaj Institute of Management Studies. Presently, he is the Managing Director of V. M. Salgaocar Group of Companies, which has interests in mining, processing and export of iron ore, shipping, real estate etc. Mr. S. Salgaocar does not hold any equity shares of Grindwell Norton Limited.

### Item No. 4

Mr. P. Shah is 59 years old and has done his MBA from Harvard University, USA. He is also a member of the Institute of Chartered Accountants of India and of Cost Accountants of India. He was the founder Managing Director of CRISIL. Mr. Shah is currently the Chairman of a corporate finance and private equity advisory company. He serves on the Boards of various other reputed companies in India. Mr. P. Shah does not hold any equity shares of Grindwell Norton Limited.

### Item No. 6

Mr. G. Texier is the President of Ceramic Materials of Saint-Gobain Group from September, 2011. He served as President of CertainTeed Roofing business in USA from June 2008 to September 2011 (CertainTeed Corporation is a subsidiary of Saint-Gobain). Mr. Texier joined Saint-Gobain in 2005 as Vice President – Corporate Planning for Saint-Gobain in Paris. Before joining the group Mr. Texier held several positions of responsibility with the French government. Mr. Texier has served in the French Army. He is a graduate of the Ecole Polytechnique, Paris, and the Paris School of Mines, where he studied engineering and business administration respectively. Mr. Texier does not hold any equity shares of Grindwell Norton Limited.

## EXPLANATORY STATEMENT

**Explanatory Statement as required under Section 173 of the Companies Act, 1956.**

### Item No. 6

Mr. G. Texier was appointed as an additional director of the Company on 24th October, 2011. In terms of the provisions of Section 260 of the Companies Act, 1956, read with Article 112 of the Articles of Association of the Company, Mr. Texier holds office upto the date of the forthcoming Annual General Meeting of the Company. A brief profile of Mr. Texier is given in Item No. 6 in the Annexure to the notice.

Notice in writing under Section 257 of the Companies Act, 1956 along with a deposit of ₹ 500/- has been received from a member of the Company signifying his intension of proposing Mr. Texier as a candidate for the office of Director.

Except Mr. G. Texier, no other director is concerned or interested in the resolution.

Your Directors recommend appointment of Mr. G. Texier as a Director of the Company, liable to retire by rotation.

### Item No. 7

Section 309(4) of the Companies Act, 1956, and Article 116(2) of the Articles of Association of the Company provide for payment of commission to the non whole-time directors of the Company.

At present non whole-time directors, except the directors who are nominees of Compagnie de Saint-Gobain (CSG) or its subsidiaries, are paid a sitting fee of ₹ 5,000/-, for each Meeting of the Board/Audit Committee/Shareholders/Investors Grievance Committee attended by them. In addition, they are entitled to a profit commission, as determined by the Board of Directors from time to time, but upto 1% of the net profit of the Company, for the five financial years commencing from 1st January, 2009, as authorised under a Special Resolution of the Shareholders passed at the fifty eighth Annual General Meeting held on 24th April, 2008.

Since such directors devote considerable time to the business of the Company and the Company substantially benefits from their expertise and advice, it is appropriate that the said directors continue to be paid the proposed commission on profits for a further period of five years commencing from 1st April, 2013.

All the directors except the directors who are nominees of CSG or its subsidiaries, may be deemed to be concerned or interested in this Special Resolution.

Your Directors recommend this Special Resolution for your approval.

### Item No. 8

In accordance with the provisions of Section 256 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. A. C. Chakraborti retires by rotation. As Mr. Chakraborti does not wish to seek re-election, it has been decided by the Board that the vacancy so created on the Board of Directors of the Company should not be filled and accordingly, the Board recommends the resolution for approval of the members.

None of the other directors of the Company are concerned or interested in the resolution.

23rd May, 2012

Registered Office :  
Leela Business Park,  
5th Level, Andheri-Kurla Road,  
Marol, Andheri – East,  
Mumbai - 400 059

By Order of the Board

**K. VISWESWARAN**  
COMPANY SECRETARY



## DIRECTORS' REPORT

The Members,  
Grindwell Norton Ltd

Your Directors present the 62nd Annual Report of the Company along with the Audited Balance Sheet as at 31st March, 2012 and the Statement of Profit and Loss for the year ended 31st March, 2012.

### Financial Highlights

	2011-12	2010-11
Sale of Products (Gross)	<b>951.32</b>	837.63
Service & other Operating Income	<b>22.26</b>	15.98
Less: Excise Duty	<b>(66.98)</b>	(56.88)
<b>Revenue from operations</b>	<b>906.60</b>	796.73
<b>Operating Profit</b>	<b>149.35</b>	125.97
Interest	<b>0.37</b>	0.28
Profit before Tax	<b>148.98</b>	125.69
Provision for Tax	<b>45.35</b>	40.06
Profit after Tax	<b>103.63</b>	85.63
Surplus Brought forward	<b>60.00</b>	50.00
	<b>163.63</b>	135.63
<b>Appropriations :</b>		
Proposed Dividend	<b>35.98</b>	33.22
Tax on Proposed Dividend	<b>5.84</b>	5.39
Transfer to General Reserve	<b>41.81</b>	37.02
Surplus Carried to Balance Sheet	<b>80.00</b>	60.00
	<b>163.63</b>	135.63

### Responsibility Statement

Your Directors confirm that :

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- appropriate accounting policies have been selected and applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of the affairs of the Company as at 31st March, 2012 and of the profit of the Company for that year;
- proper and sufficient care has been taken 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;

- the annual accounts have been prepared on a going concern basis.

### Operations

During the year under review, your Company's sales recorded a growth of about 13%. The pace of industrial growth slowed down markedly as the year unfolded and in the second half of the year your Company's businesses saw little or no volume growth in domestic sales. Exports were also flat. Meanwhile, margins in all businesses came under pressure mainly because of the increase in energy prices, the depreciating Rupee and the general inflationary conditions. To counter this, an important management priority was to increase prices in all businesses. This coupled with increases in productivity and improvements in operating efficiencies and yields meant that the operating margins were maintained in most of your Company's businesses.

### Dividend

Your Company's net profit increased by 20% and crossed the ₹ 100 crores milestone. In the light of this and, considering your Company's strong financial position, your Directors recommend a dividend of ₹ 6.50 per equity share for the financial year ended 31st March, 2012. The cash outgo on account of the dividend (including tax on dividend) will be ₹ 41.82 crores (Previous year ₹ 38.61 crores).

### Abrasives

After two years of very strong growth, the Abrasives business grew at a more moderate pace of 12% during the year under review. Domestic and export demand remained subdued for much of the year and with important end-user industries slowing down as the year progressed, volumes were flat in the second half. But for higher sales of new products and in new markets and higher prices (increased from time to time to offset the steep increases in costs), sales growth would have been much lower. Despite being successful in increasing prices and improving operating performance, margins declined and restricted the growth of operating profit to 10%. Two large projects (expansion of Bonded Abrasives capacity at Nagpur and a new Non-woven Abrasives plant in Bangalore) were initiated and made considerable progress during the year. The plants are expected to be commissioned in the first half of 2012-13.

### Ceramics & Plastics

Local demand for Silicon Carbide was similar to the previous year whereas the European market was buoyant for much of

2011. Your Company's sales volume remained flat and the increase in sales was entirely due to higher prices (which offset much of the steep increase in costs of coke and electricity). A softening of demand in certain market segments caused a slowdown in the growth of the High Performance Refractories business and the Performance Plastics business. The construction of a new plant for High Performance Refractories near Vadodara in Gujarat made considerable progress during the year. The plant is expected to be commissioned in the first half of 2012-13. During the year, a project for the manufacture of mine grids (part of the ADFORS' Technical Fabrics business of Saint-Gobain) was initiated and completed. This small plant, which was commissioned in the last quarter, is located in Bangalore.

### **Subsidiary in Bhutan**

Operations of your Company's subsidiary in Bhutan improved and the plant achieved capacity utilization of about 83%. In its second year of operations, the Company made a small operating profit. During the year, a project to set up a processing plant was initiated and made good progress. The plant is expected to be commissioned in the first half of 2012-13. In terms of the general exemption provided under Section 212(8) of the Companies Act, 1956, granted by the Ministry of Corporate Affairs vide its circular no. 02/2011 dated 8th February, 2011 and in compliance with the conditions enlisted therein, copies of the Balance Sheet, Statement of Profit and Loss, Report of the Board of Directors and Auditors of the subsidiary have not been attached to the Balance Sheet of the Company. However, these documents will be made available upon request by any member of the Company. As directed by the said circular, the financial data of the subsidiary has been furnished under 'Financial Information of Subsidiary Company' which forms part of the Annual Report. The Annual accounts of the Company including that of the subsidiary will be kept for inspection by any member. Further, pursuant to Accounting Standards (AS)-21, consolidated financial statements presented by the Company include financial information of the subsidiary company.

### **Future Prospects**

Industrial growth has been weak and volatile and has trended downwards for several quarters and despite the RBI's recent decision to reduce reference rates by 0.5%, there are no signs that growth will recover in the near term. Meanwhile, high inflation and the depreciating Rupee remain a concern. The outlook for 2012-13 is uncertain. Your Company's financial strength will enable it to continue to implement its capital investment (new capacities and capabilities) programmes and prepare for the resumption of growth. In the meanwhile, your Company's management will focus on improving price realisation and operating performance (implementation of the World Class Manufacturing programme) and containing costs and working capital. At the same time, investments will continue to be made in developing new products and new markets in order to sustain growth.

### **Employee Relations**

During the course of the year, new productivity-enhancing wage agreements were signed with Unions at your Company's plants at Mora and Bangalore. Employee Relations were generally cordial at all units of the Company. As at the year-end, there were 1619 employees. Your Directors place on record their appreciation for the contribution made by all the employees in the progress of your Company.

### **Environment, Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo**

Your Company is committed to ensure a clean and green, pollution free environment as well as healthier and safer work place at all plant locations and work sites. All the Plants of your Company are certified under ISO 14001:2004 as well as OHSAS 18001:1999. These certifications are in recognition of the sustained efforts of your Company in improving Environment, Health and Safety at all its sites.

As required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the relevant information pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo as required in the prescribed format is annexed (Annexure A) and forms part of this report.

### **Fixed Deposit**

At present your Company does not accept any fixed deposits.

### **Particulars of Employees**

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, forms part of this report. However, as per the provisions of Section 219(1)(b)(iv) of the Act, the Report and Accounts are being sent excluding the statement containing the particulars to be provided under Section 217(2A) of the Act. Any member interested in obtaining such particulars may write to the Company at its registered office.

### **Management Discussion & Analysis Report and Report on Corporate Governance**

The Management Discussion & Analysis Report and Report on Corporate Governance along with a Certificate dated 23rd May, 2012, of the Auditors of your Company; regarding the compliance of the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is annexed (Annexure C) and forms part of this Report.

### **Directors**

Consequent to his assuming new responsibilities in the Saint-Gobain group, Mr. J. T. Crowe resigned as Director of the Company with effect from 24th October 2011. Your Directors place on record their deep appreciation for the valuable services rendered by him during his tenure as director.



Mr. G. Texier, President of the ceramic materials business of Saint-Gobain Group, was appointed as an Additional Director, from 24th October, 2011. He holds office upto the date of the ensuing Annual General Meeting of the Company. As required under Section 257 of the Companies Act, 1956, the Company has received notice in writing from a Member proposing the candidature of Mr. Texier as Director of the Company.

In accordance with the requirements of the Companies Act, 1956 and Articles of Association of the Company, Mr. A. C. Chakrabortti, Mr. S. Salgaocar and Mr. P. Shah, Directors, retire by rotation. While Mr. Salgaocar and Mr. Shah, being eligible, offer themselves for reappointment as Directors of your Company, Mr. Chakrabortti, after serving as a Director of your Company for more than 29 years, has informed the Directors of his decision to step down from the Board and not seek re-election.

Your Directors wish to record their immense gratitude to Mr. Chakrabortti and their deep appreciation of the important role played by him (as a Director, as Vice-Chairman and as Chairman of the Board) and the significant contribution made by him to the development and growth of your Company over several years.

### **Auditors**

M/s. Kalyaniwalla & Mistry, Chartered Accountants, (Registration No. 104607W), Auditors of your Company,

retire on the conclusion of 62nd Annual General Meeting. You are requested to appoint Auditors for the current financial year and to fix their remuneration. The retiring Auditors, M/s. Kalyaniwalla & Mistry, Chartered Accountants are eligible for re-appointment.

### **Acknowledgments**

Your Directors take this opportunity to acknowledge with sincere gratitude the support of its esteemed customers, the strength it derives from its association with Compagnie de Saint-Gobain and a number of its subsidiaries (in particular, Saint-Gobain Abrasives Inc.), the continued support and co-operation from its Bankers and the loyalty of the large family of the Company's Dealers, Suppliers and valued Shareholders.

On behalf of the Board of Directors,

**A. C. CHAKRABORTTI**  
CHAIRMAN

Mumbai; 23rd May, 2012

**A. Y. MAHAJAN**  
MANAGING DIRECTOR

## ANNEXURE A TO THE DIRECTORS' REPORT

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

### CONSERVATION OF ENERGY

Various energy conservation initiatives were completed during the year ended 31st March, 2012.

**Form A for disclosure of particulars with respect to Conservation of Energy :**

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
<b>Power and Fuel Consumption</b>		
<b>ELECTRICITY</b>		
Purchased		
Units	1538964	1314149
Total Amount (₹ Lacs)	85.8	68.4
Rate/Unit ₹	5.60	5.20
Own generated		
(i) Through DG units	40897	191631
Units per Ltr. of diesel	2.06	3.28
Cost/unit (₹)	15.45	11.30
(ii) Through Steam Turbine/Generator	Nil	Nil
<b>FUEL OIL</b>		
Quantity (K. Ltrs.)	1934	1210
Total Amount (₹ Lacs)	535.5	351.8
Average rate (₹/K. Ltr.)	27690	29077
<b>Consumption per unit of Production</b>		
Electricity KWH/TON	512	488
Fuel Oil KL/TON	0.63	0.39