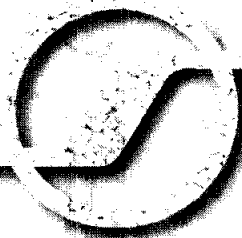
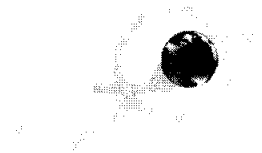


Annual Report
2001-02

Report  Junction.com

SRF Polymers



SRF Polymers Limited (Formerly known as SRF Chemicals Ltd.)

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*B*oard of Directors

Shri Arun Bharat Ram, Chairman
Shri Avinash Kumar Gaur, Whole-time Director
Dr. Bharat Ram
Shri S.P. Agarwala
Shri K. Ravichandra
Shri Vinod Kumar Kala
Shri Ritesh Kumar (ICICI Nominee)

Auditors

Thakur, Vaidyanath Aiyar & Co., Chartered Accountants, New Delhi

Bankers

ICICI Bank Limited

Registered Office

Express Building, 9-10 Bahadur Shah Zafar Marg,
New Delhi-110 002

Polyester Films Business

Plot No. 12, Rampura, Ramnagar Road, Kashipur, Distt. Udham Singh Nagar, Uttaranchal

Engineering Plastics Business

Manali Industrial Area, Manali, Chennai-600 068

Fishnet Twine Business

Manali Industrial Area, Manali, Chennai-600 068

- Company and to exercise such powers and authorities as may from time to time be entrusted to him by the Board.
3. Remuneration By way of salary, perquisites and commission, as the Board (including any committee constituted by the Board) may decide within a ceiling of 5% of the net profits computed in the manner laid down in Sections 349 and 350 of the Companies Act, 1956.
- Remuneration for a part of the year shall be computed on a pro-rata basis.
- In case the Company has no profits or profits are inadequate in a particular year, payment of salary, allowances and perquisites shall be governed by the limits prescribed under Section II of Part II of Schedule XIII to the Companies Act, 1956 as amended from time to time.
- Unless permissible by law, the Whole-time Director shall not be entitled to sitting fees in addition to the components of remuneration mentioned above, for attending meetings of the Board or Committees thereof.
4. Termination The appointment of Shri Avinash Kumar Gaur as Whole-time Director may be terminated by either party giving to the other, three calendar months' notice in writing.

RESOLVED FURTHER that the Board of Directors or a Committee thereof constituted by the Board be and is hereby authorised to increase or vary the remuneration of Shri Avinash Kumar Gaur subject to and in accordance with the Company's rules, from time to time wherever applicable and the provisions of the Companies Act, 1956 including Schedule XIII thereto.

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

RESOLVED that pursuant to Section 309 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such permissions as may be necessary, approval be and is hereby accorded to the payment of a sum not exceeding 1% per annum of the net profits of the Company, calculated in accordance with the provisions of Section 198, 349 and 350 of the Companies Act, 1956, to some or any of the Directors of the Company other than the Managing/Whole-time Directors, if any, in such manner and in all respects as the Board may determine and that such payment be made in respect of profits of the Company for the whole or proportionately for a part of each of its financial years during a period of 5 years commencing from 1st April, 2002.

By Order of the Board
for **SRF POLYMERS LIMITED**



A.K. Gaur

Whole-time Director

Place: New Delhi
Date: June 13, 2002

NOTES:

1. Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM DULY COMPLETED AND SIGNED SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING. A BLANK PROXY FORM IS ATTACHED HERewith.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, the 1st August, 2002 to Friday, the 9th August, 2002 (both days inclusive).
4. If dividend, as recommended by the Directors, is declared at the meeting, the payment will be made within thirty days to those Members whose names appear in the Register of Members of the Company as on 9th August, 2002 or to their nominees/mandatees. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by NSDL and CDSL for this purpose. The said dividend shall be subject to deduction of tax at source, wherever applicable.
5. In terms of the provisions of Income Tax Act, 1961, no tax will be deducted at source, if the amount dividend payable to a member in a financial year does not exceed Rs.1000/-. Any member who is eligible for tax exemption may file with the Company, on or before 10th August, 2002, the appropriate certificate from the Assessing Officer or Form 15G in duplicate, as the case may be, to receive the dividend without deduction of tax at source.
6. Members are requested to inform the Company about their bank details i.e. bank account No. and the name of the Bank for printing on the dividend warrant to avoid fraudulent encashment.
7. Members holding shares in physical form are requested to notify change in address, if any, under their signature to the Company at its Registered Office, quoting Folio No. Members holding shares in electronic form may update such detail with their respective Depository Participants.
8. Members seeking any information regarding Accounts should write to the Company at least seven days before the meeting so as to enable the management to keep the information ready.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 3

Under Section 224-A of the Companies Act, 1956, where not less than 25% of the subscribed share capital of a company is held either singly or in any combination, by Public Financial Institutions, Government companies, Nationalized Banks, or Insurance companies carrying on general insurance business, the appointment or re-appointment of the auditors of that company shall be made by a Special Resolution.

The combined holding of the aforesaid institutions/nationalized banks/insurance companies in the Company is in excess of 25% of its subscribed share capital. A Special Resolution has, therefore,

SRF Polymers Limited (Formerly known as SRF Chemicals Ltd.)



SRF POLYMERS LIMITED

Regd. Office: Express Building, 9-10, Bahadur Shah Zafar Marg,
New Delhi 110 002

NOTICE is hereby given that the 2nd Annual General Meeting of SRF Polymers Limited will be held on Wednesday, the 21st August, 2002 at 11.30 A.M. at FICCI Golden Jubilee Auditorium, 1, Tansen Marg, New Delhi 110 001 to transact the following businesses:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2002 and the Profit & Loss Account for the year ended on that date together with the Report of the Directors, including noting of the audited Accounts for the year ended 31st March, 2001 giving effect to the Scheme of Amalgamation, Arrangement and Reconstruction between SRF Ltd, the Company and Tyrecord Fabric Ltd. and their respective Shareholders.
2. To declare Dividend on equity shares.
3. **To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:**
"RESOLVED that M/s. Thakur, Vaidyanath Aiyar & Co., Chartered Accountants, New Delhi, 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 at a remuneration to be fixed by the Board plus re-imbursement of travelling and other incidental expenses, if any, incurred in connection with the audit."
4. **To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:**
"RESOLVED that Shri Arun Bharat Ram, who by his co-option as an Additional Director with effect from 11th January, 2002 holds office upto the date of this Annual general meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose him as a candidate for the office of Director, be and is hereby appointed a Director of the Company, liable to retire by rotation."
5. **To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:**
"RESOLVED that Shri S.P. Agarwala, who by his co-option as an Additional Director with effect from 18th March, 2002 holds office upto the date of this Annual general meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose him as a candidate for the office of Director, be and is hereby appointed a Director of the Company, liable to retire by rotation."
6. **To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:**
"RESOLVED that Shri K. Ravichandra, who by his co-option as an Additional Director with effect from 18th March, 2002 holds office upto the date of this Annual general meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose him as a candidate for the office of Director, be and is hereby appointed a Director of the Company, liable to retire by rotation."
7. **To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:**
"RESOLVED that Shri Vinod Kumar Kala, who by his co-option as an Additional Director with effect from 18th March, 2002 holds office upto the date of this Annual general meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose him as a candidate for the office of Director, be and is hereby appointed a Director of the Company, liable to retire by rotation."
8. **To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:**
"RESOLVED that Dr. Bharat Ram, who by his co-option as an Additional Director with effect from 13th June, 2002 holds office upto the date of this Annual general meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose him as a candidate for the office of Director, be and is hereby appointed a Director of the Company, liable to retire by rotation."
9. **To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:**
"RESOLVED that Shri Avinash Kumar Gaur, who by his co-option as an Additional Director with effect from 18th March, 2002 holds office upto the date of this Annual general meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose him as a candidate for the office of Director, be and is hereby appointed a Director of the Company."
10. **To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:**
"RESOLVED that subject to such sanctions and permissions, if any, as may be necessary, approval be and is hereby accorded in terms of Section 269, 309 and other applicable provisions of the Companies Act, 1956 and the Schedules thereto, to the appointment of Shri Avinash Kumar Gaur as a Whole-time Director of the Company on the following terms and remuneration including minimum remuneration in the event of absence or inadequacy of profits :
 1. Tenure 1.4.2002 to 30.4.2004
 2. Functions To look after the day-to-day business and affairs of the Company subject to the overall direction, control and superintendence of the Board of Directors of the



SRF Polymers Limited (Formerly known as SRF Chemicals Ltd.)

been included for re-appointment of the auditors for the year 2002-2003.

M/s. Thakur, Vaidyanath Aiyar & Co., Chartered Accountants have furnished a certificate dated 9th May, 2002 to the effect that their re-appointment, if made, will be in accordance with the limits specified in Section 224 (1-B) of the Companies Act, 1956.

No Director of the Company is concerned or interested in the Resolution.

Item No. 4

Shri Arun Bharat Ram was co-opted as Additional Director by the Board of Directors of the Company on 11th January, 2002. In terms of Section 260 of the Companies Act, 1956, he holds office upto the date of the 2nd Annual General Meeting.

Notice under Section 257 of the Companies Act, 1956 has been received from a Member of the Company alongwith a deposit of Rs. 500/- signifying his intention to propose Shri Arun Bharat Ram as a Director of the Company.

Shri Arun Bharat Ram (61) is an industrialist with rich experience of around 35 years. He graduated in Industrial Engineering from the University of Michigan, USA. He is the immediate past President of the National Body of CII. He has been on various Government-Industry Committees.

Your Board is of the view that it will be in the interest of the Company to induct him on the Board of the Company.

Shri Arun Bharat Ram is the Chairman of the Shareholders/Investors Grievance Committee, member of Remuneration Committee and Committee of Directors Financial Resources of the Board.

Shri Arun Bharat Ram is a Director and member of the following Committees of the Board of other Companies.

Directorship

SRF Ltd.
DCM Shriram Consolidated Ltd.,
Emergent Industries & Technologies Ltd.,
Essilor SRF Optics Ltd.,
Santel Color Ltd.,
Samcor Glass Ltd.,
SRF Overseas Ltd.
SRF International (BVI) Ltd.,
SRF International (Emirates) Ltd.,
SRF Americas Inc
Fenner (India) Ltd.,
Bharat Ram Associates Private Ltd.
Moser Baer India Ltd.,

Membership of the Committees of the Board

SRF Ltd - Shareholders/Investors Grievance Committee, Committee of Directors - Financial Resources, Provident Fund/ Superannuation/Gratuity Committee
DCM Shriram Consolidated Ltd., - Audit Sub Committee

None of the Directors of the Company other than Shri Arun Bharat Ram and Dr. Bharat Ram is concerned or interested in the Resolution.

Item No. 5

Shri S.P. Agarwala was co-opted as Additional Director by the Board of Directors of the Company on 18th March, 2002. In terms of Section 260 of the Companies Act, 1956, he holds office upto the date of the 2nd Annual General Meeting.

Notice under Section 257 of the Companies Act, 1956 has been received from a Member of the Company alongwith a deposit of Rs. 500/- signifying his intention to propose Shri S.P. Agarwala as a Director of the Company.

Shri S.P. Agarwala (61) is well-known in the business circles of Delhi. Your Board is of the view that it will be in the interest of the Company to induct him on the Board of the Company.

Shri S.P. Agarwala is member of the Shareholders/Investors Grievance Committee, Remuneration Committee Audit Committee and Committee of Directors - Financial Resources of the Board.

Shri S.P. Agarwala is a Director in SRF Ltd.

Shri S.P. Agarwala is Chairman of Shareholders/Investors Grievance Committee and Member of 'Committee of Directors - Financial Resources of the Board of SRF Ltd.

None of the Directors of the Company other than Shri S.P. Agarwala is concerned or interested in the Resolution.

Item No. 6

Shri K. Ravichandra was co-opted as Additional Director by the Board of Directors of the Company on 18th March, 2002. In terms of Section 260 of the Companies Act, 1956, he holds office upto the date of the 2nd Annual General Meeting.

Notice under Section 257 of the Companies Act, 1956 has been received from a Member of the Company alongwith a deposit of Rs. 500/- signifying his intention to propose Shri K. Ravichandra as a Director of the Company.

Shri K. Ravichandra (68), a Chemical Engineer, has had extensive experience in the safety aspects of the Oil Industry including five years as an Executive Director in the Safety Directorate, Ministry of Petroleum and Natural Gas, Government of India. Your Board is of the view that it will be in the interest of the Company to induct him on the Board of the Company.

Shri K. Ravichandra is a member of the Shareholders/Investors Grievance Committee of the Board.

Shri K. Ravichandra is a Director in SRF Ltd.

Shri K. Ravichandra is a Member of shareholders/Investors Grievance Committee, Committee of Director - Financial Resources and Provident Fund/ Superannuation/Gratuity Committee of the Board of SRF Ltd.

None of the Directors of the Company other than Shri K. Ravichandra is concerned or interested in the Resolution.

Item No. 7

Shri Vinod Kumar Kala was co-opted as Additional Director by the Board of Directors of the Company on 18th March, 2002. In terms of Section 260 of the Companies Act, 1956, he holds office upto the date of the 2nd Annual General Meeting.

Notice under Section 257 of the Companies Act, 1956 has been received from a Member of the Company alongwith a deposit of Rs. 500/- signifying his intention to propose Shri Vinod Kumar Kala as a Director of the Company.

Shri Vinod Kumar Kala (40), an IIM Ahmedabad alumnus possesses expertise in the area of Organizational Transformation, where he combines skills in Business Strategy, Financial Engineering, Business Process Re-engineering, Creative Thinking, People Development, etc. and has played significant role in creating this

transformation drive in two large sized corporates in India. Your Board is of the view that it will be in the interest of the Company to induct him on the Board of the Company.

Shri Vinod Kumar Kala is the member of the Shareholders/Investors Grievance Committee, Remuneration Committee and Audit Committee of the Board.

Shri Vinod Kumar Kala is a Director in SRF Employees Welfare Company Ltd. and Emergent Ventures Pvt. Ltd.

None of the Directors of the Company other than Shri Vinod Kumar Kala is concerned or interested in the Resolution.

Item No. 8

Dr. Bharat Ram was co-opted as Additional Director by the Board of Directors of the Company on 13th June, 2002. In terms of Section 260 of the Companies Act, 1956, he holds office upto the date of the 2nd Annual General Meeting.

Notice under Section 257 of the Companies Act, 1956 has been received from a Member of the Company alongwith a deposit of Rs. 500/- signifying his intention to propose Dr. Bharat Ram as a Director of the Company.

Dr. Bharat Ram, (88) is a Captain of Indian industry, and has held various coveted positions including Director, State Bank of India; President FICCI; Chairman, Indian Airlines; and the first President of International Chamber of Commerce. His experience spans over six decades. Your Board is of the view that it will be in the interest of the Company to induct him on the Board of the Company.

Dr. Bharat Ram is not a member of any committee of the Board.

Dr. Bharat Ram is Chairman of SRF Ltd. and Coromandel Fertilizers Ltd. and a Director in Delhi Golf Club Ltd.

Dr. Bharat Ram is a member of Committee of Directors - Financial Resources of the Board of SRF Ltd.

None of the Directors of the Company other than Dr. Bharat Ram and Shri Arun Bharat Ram is concerned or interested in the Resolution.

Item Nos. 9 & 10

Shri Avinash Kumar Gaur was co-opted as Additional Director by the Board of Directors of the Company on 18th March, 2002. In terms of the Company's Articles of Association and Section 260 of the Companies Act, 1956, he holds office upto the date of the 2nd Annual general meeting.

Notice under Section 257 of the Companies Act, 1956 has been received from a member of the Company alongwith a deposit of Rs. 500/- signifying his intention to propose Shri Avinash Kumar Gaur as a Director of the Company.

Shri Avinash Kumar Gaur (56) is a gold medallist from Banaras Hindu University in B.Sc. (Chemical Engg. & Tech). He did his M.S. (Chemical Engg.) from University of Washington, Seattle, U.S.A. in 1970. Shri Gaur has vast experience of about 35 years in the industry. He satisfies the conditions for eligibility for appointment as a managerial person, in terms of Part I of Schedule XIII of the Companies Act, 1956.

The Board of Directors at its meeting held on 18th March, 2002, has appointed Shri Avinash Kumar Gaur as Whole-time Director of the Company for the period 1.4.2002 to 30.04.2004, subject to the approval by the members in general meeting. Accordingly,

approval of the members is sought to the appointment and remuneration of Shri Avinash Kumar Gaur in terms of Sections 269 and 309, read with Schedule XIII to the Companies Act, 1956. The terms of appointment and remuneration proposed for Shri Avinash Kumar Gaur are fully set out in the resolution.

The abstract of the terms and conditions of appointment of Shri Avinash Kumar Gaur as Whole-time Director has been circulated to the members vide Company's letter dated 10th May, 2002 as per the requirement of Section 302 of the Companies Act, 1956.

Shri Avinash Kumar Gaur is not a member of any committee of the Board.

Shri Avinash Kumar Gaur is not a Director of any other company.

None of the Directors of the Company other than Shri Avinash Kumar Gaur is concerned or interested in the two resolutions.

Item No. 11

Considering the Company's size, its operations and that some or any of the Directors other than Managing or Whole-time Directors may be required to make extra exertions from time to time and/or give special attention to certain areas of business of the Company, it is proposed to authorise the Board to pay a sum not exceeding 1% of the net profits of the Company calculated in accordance with Sections 198, 349 and 350 of the Companies Act, 1956 to them.

The proposed resolution is in accordance with Section 309 of the Companies Act, 1956 and the Articles of Association of the Company. The payment of commission is in respect of the whole or proportionately a part of each of the financial years for a period of 5 years commencing from 1st April, 2002.

The Directors of the Company other than Shri Avinash Kumar Gaur are interested in the resolution.

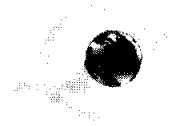
INSPECTION

The Memorandum & Articles of Association of the Company shall be open for inspection at the Registered Office of the Company on any working day between 3 P.M. and 5 P.M. and shall also be available at the meeting.

Stock Exchanges where Company's securities are listed/to be listed:-

1. The Delhi Stock Exchange Association Limited
DSE House, 3/1 Asaf Ali Road
New Delhi 110 002
2. The Stock Exchange – Ahmedabad
Kamdhenu Complex, Panjarapole
Ahmedabad 380 015
3. The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Tower, Dalal Street
Mumbai 400 001
4. Madras Stock Exchange
Exchange Building, Post Box No.183
11, Second Line Beach, Chennai 600 001

Listing fee has been paid to all the Stock Exchanges upto March, 2003.



SRF Polymers Limited (Formerly known as SRF Chemicals Ltd.)

Directors' Report

Your Directors are pleased to present the 2nd Annual Report for the year ended 31st March, 2002.

FINANCIAL RESULTS

	(Rs. Crores)	
	2001-02	2000-01
Gross Sales	141.15	37.72
Profit Before Interest, Depreciation & Tax (PBITD)	13.03	3.89
Less: Interest	1.80	0.15
Gross Profit	11.23	3.74
Less: Depreciation	5.41	1.16
Profit Before Taxation (PBT)	5.82	2.58
Less: Provision For Taxation (Net)	0.45	0.20
Less: Deferred Tax Provision	2.13	—
Profit After Taxation (PAT)	3.24	2.38
Add: Profit Brought Forward	2.38	—
Surplus available for appropriation	5.62	2.38
Appropriation		
Dividend on Equity Shares	0.97	—
Amount transferred to General Reserve	3.00	—
Profit carried to Balance Sheet	1.65	2.38

Equity Dividend

Your Directors recommend a dividend of 15% on equity shares, i.e. Rs. 1.50 per share.

Scheme of Amalgamation, Arrangement and Reconstruction

The Scheme of Amalgamation, Arrangement and Reconstruction (the Scheme) between the Company, SRF Limited (SRF) and Tyrecord Fabric Limited (TFL) was sanctioned by the Hon'ble High Court at Delhi and the Hon'ble High Court of Judicature at Madras. Pursuant to the Scheme, the businesses of Engineering Plastics (EP), Fishnet Twine (FNT) and Polyester Films (PF) were transferred and vested in the Company with effect from 1.1.2001. The accounts have, accordingly been prepared taking into consideration the effect of the Scheme.

The previous year ended 31.3.2001 accounts have also been reworked/recast to reflect the effect of the Scheme.

OPERATIONS REVIEW

Gross Sales were Rs. 141.15 crores for the year ended 31st March, 2002 (previous period Rs. 37.72 crores). Figures for this year are not comparable to the previous period since the results reflect only three months of operations for the business.

Divisional Performance

Engineering Plastics Business

Sales turnover was Rs. 34.78 crores for the current year. The sales volume stood at 3039MT. The division has been affected adversely due to downturn in auto, white goods and textile sectors and due to large price drops by competitors. While the market did not grow in size, Engineering Plastics Business increased its market share in the compounded segment by 1%.

The drop in conversion margins was partially stemmed by purchasing efficiencies and supply chain management. During the year new grades were developed to counter cheaper prices from competitors. Breakthroughs were achieved in deemed exports with new products developed for large customers.

Improvements in shopfloor management with respect to low cost automation, emphasis on preventive maintenance, operator training and other such initiatives helped to increase production capacity.

Polyester Films Business

The sales turnover of the business stood at Rs. 32.02 crores. Volumes remained almost flat at 3515MT.

The PET film industry saw a growth in the Quarter IV due to improvement in the US economy. Exports to the US were temporarily resumed, as the final anti-dumping investigation was postponed to Quarter I of 2002-03.

Fish Net Business

Sales for the year stood at Rs. 61.78 crores. Your Company enhanced the product portfolio from 26 product offerings last year to 32 this year. Your Company now commands a market share of 70%.

In the current year Sales Tax was increased from 1% to 5%. This has adversely impacted margins.

Agency contract was finalised with Hyosung, Korea for sale of fish net yarn both in Sri Lanka & India. Your Company also entered into sale of other textile grade yarn in domestic market and high seas.

Slowdown in off-take in Sri Lanka led to a drop in export of Fish Net Yarn to Ceynor. Fish Net Yarn exports were down from 281 MT last year to 122 MT this year largely due to slowdown in global fishing and intense Chinese competition in the African market.

Safety, Health & Environment

Your Company is committed to being proactive to Safety,

Health and Environment. Continued safety awareness in the people was maintained through several activities such as training, competitions, awards, etc. in all of which there is a high worker participation.

Occupational health studies have been taken up and improvements beyond minimum standards are implemented. The effluents are recycled based on known treatment processes, which help the conservation of precious water.

Directors

Shri N. Ramanathan, Shri Om Prakash Gupta and Shri N. Gopalakrishnan resigned during the year. Your Directors place on record their appreciation of the valuable advice and support provided by the above Directors during their tenure.

During the year, Shri Arun Bharat Ram, Shri Avinash Kumar Gaur, Shri S.P. Agarwala, Shri Vinod Kumar Kala and Shri K. Ravichandra were co-opted as Additional Directors.

Dr. Bharat Ram has been co-opted as Additional Director on 13.6.2002.

They hold office upto the date of ensuing Annual General Meeting and are eligible for re-appointment. Notices under Section 257 of the Companies Act, 1956 have been received from members intending to propose the names of the above Directors for appointment as regular Directors of the Company.

Shri Avinash Kumar Gaur has been appointed as a Whole-time Director, the approval of the shareholders to his appointment is sought in the ensuing Annual General Meeting.

ICICI Bank Ltd has nominated Shri Ritesh Kumar on the Board of Directors of the Company.

Audit Committee

The Board had constituted the Audit Committee in its meeting held on 27th March, 2002 comprising of three non-executive Directors viz Shri S. P. Agarwala, Shri Vinod Kumar Kala and Shri Ritesh Kumar (ICICI Bank Nominee). The role and terms of reference of the Audit Committee cover the matters specified under clause 49 of the Listing Agreements and Section 292 A of the Companies Act, 1956. Shri S.P. Agarwala has been elected Chairman of the Audit Committee.

Directors' Responsibility Statement

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956, 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 judgements and estimates that were 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 or loss of the Company for the period under review;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act 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 for the year ended 31.03.02 on a 'going concern' basis.

Accounts and Audit

The Auditors, M/s Thakur, Vaidyanath Aiyar & Company, retire at the conclusion of the 2nd Annual General Meeting and being eligible, offer themselves for re-appointment. The observations of the Auditors are explained wherever necessary in appropriate notes to the Accounts.

Fixed Deposits

Your Company did not accept/renew fixed deposits during the year.

Corporate Governance

Your Company has applied for listing of its shares on the stock exchanges at Delhi, Mumbai, Ahmedabad and Chennai. Pending receipt of listing approvals, the Company is taking the necessary steps to comply with Clause 49 of the Listing Agreement.

Personnel

There were no employees drawing Rs.2 lacs per month or Rs.24 lacs per annum or above. Hence, statement under Section 217 (2A) of the Companies Act, 1956 is not required.

Acknowledgements

Your Directors acknowledge with gratitude the co-operation and assistance received from various agencies of the Central Government, the Governments of Uttaranchal & Tamil Nadu, financial institutions and banks.

For and on Behalf of the Board

Date: 13th June, 2002
New Delhi

ARUN BHARAT RAM
Chairman

SRF Polymers Limited (Formerly known as SRF Chemicals Ltd.)

Annexure to Directors' Report (Pursuant to Section 217(1)(e) of the Companies Act, 1956)

Details of total energy consumption and energy consumption per unit of production as per Form A are given hereunder:

		Power & Fuel Consumption	
		2001-02	2000-01
1. Electricity			
a) Purchased			
– Total Units ('000 KWH)	4640.50	1034.70	
– Total Amount (Rs. Lakhs)	192.58	43.29	
– Rate/Unit (Rs.)	4.15	4.18	
b) Own Generation			
– Through diesel ('000 KWH)	7489.00	1742.00	
– Units per KL of diesel oil	3540.00	3460.00	
– Cost/Unit (Rs.)	4.36	4.35	
2. Furnace Oil/LSHS			
– Quantity (K. Litres)	722.30	187.90	
– Total Amount (Rs. Lakhs)	67.88	16.70	
– Rate/Unit (Rs.)	9.40	8.90	
3. Others			
a) Fuel (for oil boiler)			
– Quantity (K. Litres)	—	—	
– Total Cost (Rs. in Lakhs)	—	—	
– Rate/Unit of KL (Rs.)	—	—	
b) LPG			
– Quantity (K. Litres)	—	—	
– Total Cost (Rs. in Lakhs)	—	—	
– Rate/MT (Rs.)	—	—	

CONSUMPTION PER UNIT OF PRODUCTION

		2001-02	2000-01
1. Electricity (KWH/MT)			
– Nylon Chips	2521.00	2164.00	
– Moulding Powder	514.00	549.00	
– Polyester Film	2122.21	1754.50	
2. Steam			
– Nylon Chips	28.75	28.19	

Foreign Exchange Earnings and Outgo

a) The Company treat exports as a major thrust area.

b) Particulars

Particulars	2002	2001
Foreign Exchange Earning	726.40	293.07
Foreign Exchange Outgo	1000.12	507.00
Net Foreign Exchange Outgo	(273.72)	(213.93)