

## 25TH ANNUAL REPORT 2000-2001



# MANGALAM CEMENT LIMITED



## **BK BIRLA GROUP OF COMPANIES**

### *The 21st Century Atlas*

#### **Atlas, The Titan - Collective strength of the Group:**

This symbol as a whole, represents the collective strength of the Group. The astute and dynamic management which binds the group together and gives it leadership and direction, is personified in the figure of Atlas. A pillar of strength, Atlas also stands for steadfastness, consistency and reliability.

#### **The Sun - Enlightenment and Growth:**

The head of the Atlas, also represents the Sun. In this context, the Sun stands for a luminous and powerful presence that the Group has over the industrial arena on one hand, and resourcefulness in terms of finance, technological skill, and intellectual leadership on the other.

#### **Earth Segments - Diversified Activities:**

Each latitude around the Titan, represents the different industries or activities that constitute the Group. They individually draw and give strength and support to the central figure of Atlas.

#### **The Globe - Global Vision:**

The Group's Global vision and presence is visually inherent in the figure of the Earth.

#### **The Symmetry and Balance - The resilience, versatility and stability:**

The overall design, balance and harmonious blend of all the elements, sum up a well conceptualised industrial conglomerate.

*Strong Foundation*

*Sustained Growth*

*Proven Leadership*

**25TH ANNUAL REPORT 2000-2001****BOARD OF DIRECTORS**

Shri O.P. Gupta

Shri A.S. Gupta

Shri K.K. Mudgil

Nominated by I.D.B.I.

Shri T.S. Vishwanath

Nominated by U.T.I.

Shri N.G. Khaitan

Shri K.C. Jain

Managing Director

**JOINT PRESIDENT (FINANCE & ADMINISTRATION)  
& COMPANY SECRETARY**

Shri R.C. Gupta

**REGISTERED OFFICE & FACTORIES**

P.O. Aditya Nagar - 326520

Morak

Distt. Kota (Rajasthan)

**HEAD OFFICE**

9/1, R.N. Mukherjee Road

Kolkata - 700 001.

**AUDITORS**

Messrs Lodha &amp; Co.

Chartered Accountants

**BANKERS**

State Bank of India

State Bank of Bikaner &amp; Jaipur

The Bank of Rajasthan Ltd.

Bank of India

**REGISTRAR & SHARE TRANSFER AGENT**

M/s. Mas Services Pvt. Ltd.

(Unit Mangalam Cement Ltd.)

AB-4, Safdarjung Enclave,

New Delhi - 110 029.

## NOTICE

NOTICE is hereby given that the 25th Annual General Meeting of the Members of Mangalam Cement Ltd will be held on Friday, the 28th December, 2001 at 10.30 A.M. at the Club Hall of Mangalam Cement Ltd, Basant Vihar, Adityanagar 326520, Morak, Dist.Kota (Rajasthan) to transact, with or without modifications, the following business:

1. To receive, consider and adopt the Audited Accounts for the year ended 30th September, 2001 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri O.P.Gupta who retires by rotation and being eligible, offers himself for re-appointment.

3. To appoint Auditors and fix their remuneration and in that connection to pass, with or without modification, the following resolution to be moved as a Special Resolution:

"RESOLVED that pursuant to the provisions of Section 224A of the companies Act, 1956, M/s.Lodha & Co., Chartered Accountants, be and are hereby appointed as Auditors of the Company till the conclusion of the next Annual General Meeting of the Company and the Board of Directors of the Company be and is hereby authorised to fix their Remuneration and terms of payment as per the recommendations of its Audit Committee."

### SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

"RESOLVED that in accordance with provisions of Section 198, 268, 269, 309, 310 and 311 read with the Schedule XIII and all other applicable provisions of the Companies Act, 1956 and subject to all such approvals as may be necessary Shri K.C.Jain who is Sr President (Cement Sections) and Manager of Kesoram Industries Ltd and who shall continue his employment with Kesoram Industries Ltd, be and is hereby re-appointed as Managing Director of the Company for a period of Five years w.e.f. 1.5.2002 on the following terms as to remuneration as set out hereafter and with further liberty to the Directors from time to time, to alter and vary the said terms and conditions in such manner as may be agreed to between the Directors and Shri K.C.Jain, in the best interest of the Company within the limitations in that behalf as contained in Schedule XIII to the said Act or any amendments thereof or otherwise as may be permissible at law viz.

#### A. Salary

Rs.20,000 (Rupees twenty thousand only) per month inclusive of Dearness and all other allowances in the grade of Rs.20,000-4000-40,000.

#### B. Perquisites

##### Category 'A'

1. Personal accident insurance, the premium of which shall not exceed Rs.1000/- per annum.
2. Reimbursement of entertainment expenses actually and properly incurred in the course of legitimate business of the Company shall be allowed subject to a reasonable ceiling fixed by the Company in this regard.

##### Category 'B'

Company's contribution to Provident Fund and Superannuation Fund will not be included in the computation of the ceiling on perquisites to the extent they are either singly or together not taxable under the Income Tax Act, 1961. Gratuity payable shall not exceed half a month's salary for each completed year of service.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, the aforesaid remuneration including perquisites is paid to the Managing Director as minimum remuneration."

By Order of the Board,

Registered Office:  
P.O.Adityanagar 326520,  
Morak,  
Dist.Kota (Rajasthan)

R.C.GUPTA

Dated, the 31st Day of October, 2001

Secretary

#### 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 SUCH PROXY NEED NOT BE A MEMBER. PROXIES IN THE FORM ANNEXED HERETO MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.
2. Register of members and Share Transfer Books of the Company shall remain closed from Friday the 21st December, 2001 to Friday the 28th December, 2001, both the days inclusive.
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 for Special Business mentioned in the above Notice is annexed hereto.



4. a. Under provisions of Section 205(A) of the Companies Act, 1956, the Company has already transferred all unpaid dividends declared upto and including the financial year ended 31st March, 1995 and the members are advised to approach the Registrar of Companies, Rajasthan, Jaipur to claim the dividends of all the said periods.

b. Pursuant to the provisions of Section 205(A) of the Companies Act, 1956 as amended, dividends for financial year ended 31st March, 1996 and thereafter which remain unpaid or unclaimed for a period of 7 years will be transferred to the "Investors' Education and Protection Fund."

Members who have not encashed warrant(s) so far for the financial year ended 31st March, 1996 or in subsequent financial years are requested to make their claim to the Share Deptt of the Company.

Further, it may be noted that under the amended Companies Act, once the unclaimed dividends are transferred to the Government, as above, no claim shall lie in respect of such amounts.

#### 5. Reappointment of Directors:

As per the clause 49 of the Listing Agreement dealing with the Corporate Governance, the Company is required to provide a brief resume, expertise and names of the companies in which the proposed Directors hold the Directorship and Membership of Committees of Board and accordingly, the said information is given herein below in respect of Shri O.P.Gupta and Shri K.C.Jain.

(a) At the ensuing Annual General Meeting, Shri O.P.Gupta retires by rotation and being eligible offers himself for re-appointment.

Shri O.P.Gupta, aged 81 yrs is Ex-Chairman of Punjab National Bank and is Director in this Company since 25th September, 1980. He is also Director in the following companies:

1. Pudumji Pulp and Paper Mills Ltd.
2. Jay Bharat Credit Ltd.
3. Apollo Tyres Ltd.
4. Rishi Roop Rubber (International) Ltd.
5. Apollo International Ltd.
6. Hero Honda Motors Ltd.

He also holds membership/Chairmanship in the Committees of the following Companies.

Name of the Company	Name of the Committee	Position Held
1. Apollo Tyres Ltd.	Audit Committee	Chairman
2. Apollo Tyres Ltd.	Shareholders' Grievance Committee	Chairman
3. Pudumji Pulp and Paper Mills Ltd.	Audit Committee	Chairman
4. Hero Honda Motors Ltd.	Shareholders' Grievance Committee	Member

(b) Shri K.C.Jain who is proposed to be re-appointed as Managing Director for a further period of Five years. The resume and expertise of Shri K.C.Jain are given in the Explanatory Statement which forms part of this Notice.

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

##### ITEM No.4.

At the Annual General Meeting of the Company held on the 29th June, 1999, the shareholders approved reappointment of Shri K.C.Jain as Managing Director of the Company for a period of 3 years effective from 1.5.1999. His term of office will expire on 30th April, 2002.

Shri K.C.Jain is a qualified Chartered Accountant and is also holding the position of Sr President of Kesoram Cement and Vasavadatta Cement (Divisions of Kesoram Industries Ltd). He was appointed as Manager also of Kesoram Industries Ltd pursuant to Section 387/388 of the Companies Act, 1956 w.e.f. 4th May, 2001. Having regard to the vast experience in cement industry and the capability of Shri K.C.Jain and the efficient management of the Company's affairs during the tenure of his office as Managing Director, Your Directors felt that it will be in the interest of the company to re-appoint him as Managing Director notwithstanding that he continues to remain Senior President of the aforesaid divisions of Kesoram Industries Ltd. The Board, therefore at its meeting held on 31st October, 2001 have resolved to re-appoint Shri K.C.Jain as Managing Director of the Company for a period of Five years w.e.f. 1st May, 2002.

None of the Directors except Shri K.C.Jain being the Managing Director himself is concerned or interested in the Resolution.

The abstracts of the terms of contract for re-appointment of the Managing Director as required u/s 302 of the Companies Act, 1956 form part of the Notice calling the Annual General Meeting and the Memorandum of Nature of concern and interest under section 302 of the Companies Act, 1956 form part of the Explanatory Statement hereof. Copies of the documents referred to above are available for inspection by the members of the company at its registered office between 10 AM and 12.30 PM on any working day of the Company.

Registered Office:  
P.O.Adityanagar 326520  
Morak  
Dist.Kota (Raj)

By Order of the Board

R.C.GUPTA  
Secretary

Dated, 31st day of October, 2001

## REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30TH SEPTEMBER, 2001

Dear Shareholders,  
We present the 25th Annual Report of the Company with audited statements of accounts for the year ended 30th September, 2001.

### FINANCIAL RESULTS

	Current year ended 30th September 2001 (12 Months) Rs.	Previous year ended 30th September 2000 (6 Months) Rs.
Turnover	2,76,81,43,311	1,19,70,80,194
Operating Profit/(Loss)	22,48,54,870	(87,38,756)
Less: Interest	30,33,84,756	14,39,79,372
Gross Profit/(Loss) before Depreciation	(7,85,29,886)	(15,27,18,128)
Less: Depreciation (net of transfer from Revaluation reserve)	11,37,28,502	5,66,97,145
Net Profit/(Loss) after depreciation	(19,22,58,388)	(20,94,15,273)
Extra-ordinary item-Sales Tax provided for earlier years	---	25,21,43,453
	(19,22,58,388)	(46,15,58,726)
Add:		
a. Transfer from Investment allowance reserve	---	50,00,000
b. Income Tax/Wealth Tax refunds pertaining to earlier years	---	1,38,432
c. Surplus/(Deficit) of Profit and Loss account brought forward from previous years	(97,21,27,429)	(51,57,07,135)
Surplus/(Deficit) available for appropriations	(1,16,43,85,817)	(97,21,27,429)
<b>APPROPRIATIONS</b>		
Deficit balance carried forward to next year	1,16,43,85,817	97,21,27,429

### DIVIDEND

In the absence of profit, the Directors are not in a position to recommend payment of any dividend on Equity Shares and Optionally Convertible Cumulative Preference Shares.

### PRODUCTION AND PERFORMANCE

Performance figures of both the units as compared to that of previous year are given below. Previous year's figures are not comparable as the previous year consisted only 6 months period.

1.10.2000 to  
30.9.2001  
(12 months)  
MT

1.4.2000 to  
30.9.2000  
(6 months)  
MT

### Clinker Production

Mangalam cement	262180	123645
Neer Shree Cement	922683	439010
	<u>1184863</u>	<u>562655</u>

### Cement Production

Mangalam cement	403997	184443
Neer Shree Cement	821907	405124
	<u>1225904</u>	<u>589567</u>

### Cement Despatches

Mangalam cement	397845	188188
Neer Shree Cement	826267	410083
	<u>1224112</u>	<u>598271</u>

### Power Consumption

(Per MT on Cement)		
Mangalam cement	95 U	103 U
Neer Shree Cement	86 U	86 U

### Coal Consumption

(Per MT on Cement)		
Mangalam cement	162 Kg	134 Kg
Neer Shree Cement	156 Kg	122 Kg

Cement industry continued to face lack of demand during the year. Till around November 2000, the prices were so low that we were incurring heavy losses. However, cement prices started improving from December 2000 and January, 2001 but have again come down in July/September 2001 Quarter. The Company earned operating profit before interest and depreciation, Rs.22.49 crores as against the operating loss of Rs.0.87 Cr in the previous period of 6 months. After providing for interest Rs.30.34 Cr and depreciation Rs.11.37 Cr., the Company suffered a net loss of Rs.19.23 Cr as against Rs.46.16 Cr in the previous year (6 months) (including provision of extraordinary item of Rs.25.21 Cr). The accumulated losses of the Company at the end of the financial year 2000-2001 increased to Rs.116.44 Crores.

### PLANT OPERATIONS

The Company has initiated various measures towards improving its operational efficiency and productivity. Efforts have also been initiated for reducing power consumption. These measures have started yielding results during the year. Power consumption during the year under review in the old unit has come down from 103 Kwh to 95 Kwh per tonne of cement. Coal consumption has marginally increased because of discontinuation of use of imported coal, cost of which has gone up steeply.

**MANGALAM CEMENT LIMITED**

Power is one of the major input cost in cement production. To reduce the cost of power, the Company is planning to install captive thermal power plant of 17.5 MW capacity. Setting up of Captive Power Plant will be included in the restructuring and rehabilitation package to be submitted to the Financial Institutions.

The Company has also envisaged some more measures for reducing the consumption of power and fuel which are expected to be implemented during the current year and the results of the same would start occurring from the year 2001-2002. The Company expects to improve its margins substantially after these measures are completed.

**REFERENCE TO BIFR**

Consequent upon erosion of the entire network of the Company, reference has been made U/s 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 to the Board for Industrial & Financial Reconstruction (BIFR). The Company is yet to receive any order of the BIFR on its reference.

**FINANCE**

After the Company's reference u/s 15(1) of Sick Industrial Companies (Special Provisions) Act, 1985, the banks have frozen working capital limits including fund based limits to the extent of the actual availment as on 18th November, 2000. Due to the losses suffered by the Company, it could not meet its obligation of payment of interest and instalments of principal of term loans availed from the financial institutions and External Commercial Borrowing availed from Bank of India. As on 30th September, 2001, its overdue interest to the financial institutions was of Rs.29.22 Crores and on account of instalments Rs.34.24 Crores.

**SALESTAX INCENTIVE MATTER**

The Company's application for grant of Salestax Incentive to its new unit viz. Neer Shree Cement, as per the Salestax Incentive Scheme, 1998, was decided by the State Level Screening Committee (SLSC) on 3rd February, 2001. The SLSC was of the view that since the unit has been availing benefit w.e.f. 5th April, 1994, as sanctioned by SLSC on 11th November, 1994, and the unit has taken stay order against the decision dt.6th May, 1997 of the SLSC in which the SLSC decided to freeze the benefit being covered by the unit under the Scheme till further orders, the benefit should be available to the unit w.e.f. 5th April, 1994. Accordingly, the SLSC decided to revoke its decision of 6th May, 1997 and confirmed its decision of 11th November, 1994. After the above decision of the SLSC, the Assessing Officer of the Commercial Taxes Deptt has revised the assessment of some of the years and has raised demands/show cause notices for the differential amount of salestax incentive for the previous years which has since been stayed by the High Court of Rajasthan, Jaipur.

**DIRECTORS**

The nomination of Shri B.Bhavani Sankar was withdrawn by Industrial Development Bank of India and in his place, Shri K.K.Mudgil has been nominated. Your Directors place on record the valuable guidance and cooperation extended by Shri B.Bhavani Sankar during his tenure as Director on the Board of the Company.

In accordance with Article 99 of the Articles of Association of the Company, Shri O.P.Gupta, retires by rotation and being eligible offers himself for re-election. The Board of Directors of the Company has re-appointed Shri K.C.Jain as Managing Director of the Company for a further period of five years commencing from 1.5.2002. The payment and remuneration payable to Shri K.C.Jain is subject to the approval of members. Necessary Resolution is being placed for approval before the members in the forthcoming Annual General Meeting. Resumes in respect of Shri O.P.Gupta and Shri K.C.Jain are given in the Notice to the Annual General Meeting.

**DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT OF SECTION 217(2AA) OF THE COMPANIES ACT, 1956.** As required u/s 217(2AA) of the Companies Act, 1956, we hereby confirm:

- That in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanations relating to material departures;
- That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at September, 30, 2001 and of the profit or loss for the year ended 30th September, 2001;
- That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That the Directors have prepared the annual accounts on a going concern basis.

**INSURANCE**

The assets of your company are adequately insured against fire and risk which are considered necessary.

**AUDITORS**

M/s.Lodha & Co., Chartered Accountants, auditors of the Company retire at the forthcoming Annual General Meeting and your Directors recommend their re-appointment for the year 2001-2002. Since the combined shareholding of the Financial Institutions and Nationalised Banks exceeds 25% of the subscribed capital of the Company, the appointment of the Auditors will require Special Resolution.

The comments in the Auditors' Report read with Notes to Accounts are self explanatory.

#### **COST AUDITORS**

Pursuant to the directives of the Central Government under provisions of Section 233-B of the Companies Act, 1956, a Cost Auditor has been appointed to audit Cost Accounts of your Company for the year ended 30th September 2001.

#### **INDUSTRIAL RELATIONS**

We wish to place on record our appreciation of the devoted services of the workers, staff and the executives of the company enabling the company to achieve high level of performance during the year. The industrial relations continue to be cordial and harmonious.

#### **PARTICULARS OF EMPLOYEES**

There is no employee during the year under review in respect of whom the particulars as required to be disclosed with reference to the Companies (Particulars of Employees) Rules, 1975 as amended.

#### **PARTICULARS OF ENERGY CONSERVATION ETC.**

Particulars as required to be disclosed as per Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are set out in the statement attached hereto and form part of this Report.

#### **CORPORATE GOVERNANCE**

The Report on Corporate Governance as prescribed by the Listing Agreement is annexed and forms part of the Annual Report. The Auditors Certificate on compliance of the provisions of Corporate Governance as mentioned in the Listing Agreements is also attached.

#### **PUBLIC DEPOSITS**

The Company has neither invited nor accepted any deposits from the public within the meaning of Section 58(A) of the Companies Act, 1956 during the year under review.

#### **ACKNOWLEDGMENTS**

Your Directors express their grateful appreciation and sincere thanks to the Financial Institutions, Consortium of Banks, Bank of India, various Departments of Central and State Governments and Local Authorities for their continued guidance and support. We also thank our shareholders for the confidence and faith they have always reposed in us.

Yours faithfully,

O.P. Gupta		Directors
K.K. Mudgil		
K.C. Jain		
		Managing Director

New Delhi  
The 31st day of October 2001





**MANGALAM CEMENT LIMITED**

INFORMATION AS PER SECTION 217(1)(e) READ WITH COMPANIES (DISCLOSURES OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 30TH SEPTEMBER, 2001.

**1. CONSERVATION OF ENERGY:****A) ENERGY CONSERVATION MEASURES TAKEN**

3 Nos V/F Drives are installed and commissioned in Unit II resulting in saving of 0.5 Unit per Tonne of Cement.

**B) ADDITIONAL INVESTMENTS AND PROPOSALS, IF ANY, BEING IMPLEMENTED FOR REDUCTION OF CONSUMPTION OF ENERGY**

Installation of bucket elevators in unit II cement mill in place of Aeropole which will result in saving of about 0.85 unit/Tonne of cement.

Installation of V-Separator for Polycorn and close circuiting of cement mill of Unit II which will result in saving of about 1.9 units per tonne of cement and increase in output rate by about 15 TPH.

Installation of Fuzzy Logic system for plant optimization and blending control. It will result in saving of about 10 K.cal per Kg of clinker.

Installation of Densephase system to convey clinker dust from cooler ESP to Polycorn. It will result in saving of about 0.75 unit per tonne of cement.

Modification of GCT water spray system in Unit II.

Close circuiting of cement mill in unit I which would result in power saving of about 1.5 unit/Tonne of cement and increase in output rate by 7 TPH in OPC.

**C) IMPACT OF THE MEASURES AT (A) & (B) ABOVE FOR REDUCTION OF ENERGY CONSUMPTION AND CONSEQUENT IMPACT ON THE COST OF PRODUCTION OF GOODS.**

i) By Measures taken at (A) we saved about 0.5 Units/Tonne of Cement.

ii) By measures taken at (B), apprx savings of 1.5 Units/Tonne of Cement in Unit I and 3.5 units/Tonne of cement in Unit II and 10 K.cal/Kg of clinker savings in Unit II are expected.

**2. TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION AS PER FORM - A OF THE ANNEXURE TO THE RULES IN RESPECT OF INDUSTRIES SPECIFIED IN THE SCHEDULE.****A. POWER AND FUEL CONSUMPTION**

1.10.2000 to 30.9.2001 1.4.2000 to 30.9.2000

**1. ELECTRICITY****a. Purchased (Net)**

Unit (in lacs)

1036.21

515.15

Total amount (Rs.in lacs)

4511.93

2268.22

Rate/Unit (Rs.)

4.35

4.40

**b. Own Generation(Net)****i. Through Diesel Generators**

Units (in lacs)

82.21

31.33

Unit per Ltr. of Diesel Oil

3.89

3.85

Cost/unit (Rs.)

5.90

4.83

**ii. Through Steam Turbine/Generator**

N.A.

N.A.

**2. COAL**

(Used for Calcining of Raw Meal)

Qty. (Tonnes)

197256

73650

Total cost (Rs. in lacs)

4370.05

1972.50

Average Rate (Rs. /MT)

2215.42

2678.21

**3. FURNACE OIL**

N.A.

N.A.

**B. CONSUMPTION PER UNIT OF PRODUCTION**

Products	Cement	Cement
Unit	M.T.	M.T.
Electricity		
i) Unit I	95 U	103 U
ii) Unit II	86 U	86 U
Furnace Oil	N.A.	N.A.
Coal per ton on Cement		
i) Unit I	162 Kg	134 Kg
ii) Unit II	156 Kg	122 Kg

**3. TECHNOLOGY ABSORPTION****1. Research and Development (R&D)**

- (a) Specific areas in which R&D carried out by the Company  
 (b) Benefit derived as a result of above.  
 (c) Future plan of action

NIL  
 NIL  
 Investigation of new raw materials  
 for improving burnability of raw mix.

- (d) Expenditure on R&D (Rs. in Lacs)

- (i) Capital  
 (ii) Recurring  
 (iii) Total

NIL  
 Rs. 4.01  
 Rs. 4.01

- (iv) Total R&D Expenditure as a percentage of total turnover

0.01%

**2. Technology absorption, adoption and Innovation:**

- (a) Efforts in brief made towards technology absorption.

1. Continuous interaction with Krupp Industries India Ltd., the main plant supplier and others for technical assistance, has helped to achieve optimum benefits of the advancement in technology such as Plant optimization, efficient use of energy etc.
2. Plant personnel were trained by experts, inhouse, and outside through Seminars and visits.

Improved quality and productivity, improved throughput and cost reduction, due to thermal and electrical energy savings.

- (b) Benefits derived as a result of the above efforts eg. product improvement, cost reduction, product development, import substitution etc.

- (c) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished :

- (i) Technology imported  
 (ii) Year of import  
 (iii) Has Technology been fully absorbed  
 (iv) If not fully absorbed areas where this has not taken place, reason thereof and future plan of action.

NIL

N.A.

N.A.

N.A.

**4. FOREIGN EXCHANGE EARNING AND OUTGO:**

- (a) Total foreign exchange earned  
 (b) Total foreign exchange used

Rs. Nil  
 Rs.141.84 lacs

O.P. Gupta  
 K.K. Mudgil | Directors  
 K.C. Jain | Managing Director

New Delhi  
 The 31st day of October, 2001