



**NOCIL LIMITED**



ARVIND MAFATLAL GROUP  
The ethics of excellence

**48<sup>TH</sup> ANNUAL REPORT 2009-10**

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### REGISTRAR AND SHARE TRANSFER AGENTS:

M/s. Sharepro Services (India) Pvt. Ltd.,  
Unit: NOCIL Limited  
13 A-B, Samhita Warehousing Complex,  
Near Sakinaka Telephone Exchange Lane,  
Off Andheri Kurla Road, Sakinaka,  
Andheri (East)  
Mumbai-400072

Tel Nos.022- 67720300 / 022-67720400  
Fax No. 022-2859 1568 / 022-2850 8927]  
E-mail: [sharepro@shareproservices.com](mailto:sharepro@shareproservices.com)

### INVESTOR RELATIONS CENTRE:

912, Raheja Centre  
Free Press Journal Road  
Nariman Point  
Mumbai-400 021  
Tel: 022-6613 4700  
Fax: 022-2282 5484

## For Members Attention

1. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 19 July 2010 to Friday, 30 July 2010.
2. The Shares of the Company have been brought under Compulsory dematerialization. Those shareholders who have not dematted their shareholding from physical to demat mode are requested to do so at the earliest.
3. The members are requested to quote their Folio Number in all correspondence and also to notify immediately, change of address, if any to the Registrar and Share Transfer Agents viz. Sharepro Services (I) Pvt. Ltd at the address given on this page.
4. The members having multiple registered folios are requested to contact the Registrar and Share Transfer Agents of the Company for the purpose of consolidation of registered folios.
5. The members are requested to inform the Company their bank account particulars/ ECS mandates for the purpose of payment of dividend, if declared, at the ensuing Annual General Meeting.
6. The members are requested to bring their copy of the Annual Report along with them to the Annual General Meeting, as the practice of distributing copies of the Report at the Meeting has been discontinued and also to bring with them their Attendance Slip which may be submitted at the entrance duly signed.
7. The members desirous of getting any information about accounts and operations of the Company are requested to address their queries to the Company Secretary at least 10 days in advance of the meeting so that information required can be made readily available at the meeting.

### 48<sup>th</sup> ANNUAL GENERAL MEETING

Date : 30 July 2010  
Day : Friday  
Time : 4.00 P.M.  
Place : Rama Watumull Auditorium  
K. C. College, Dinshaw Wacha Road,  
Churchgate, Mumbai - 400 020.

## Corporate Information

Arvind N. Mafatlal *Chairman – Emeritus*

### BOARD OF DIRECTORS

Hrishikesh A. Mafatlal *Chairman*

Rohit Arora

Berjis Desai

V.R. Gupte

C.L. Jain

Vishad P. Mafatlal

D.N. Mungale

N. Sankar

C.R. Gupte *Managing Director*

### COMPANY SECRETARY

V.K. Gupte

### MANAGEMENT TEAM

C.R. Gupte	Managing Director
S.R. Deo	Senior Vice President-Technical
R.M. Gadgil	Senior Vice President-Marketing
P. Srinivasan	Vice President – Finance
C.S. Inamdar	Assistant Vice President - Marketing Technical Services
C. Nandi	Assistant Vice President - Research & Development
A. Sivaraman	Assistant Vice President -Purchase
R.M. Desai	Assistant Vice President - Production and Personnel.

### REGISTERED OFFICE

Mafatlal House, H.T. Parekh Marg,  
Backbay Reclamation, Churchgate,  
Mumbai 400 020.

### PLANT

C-37, Trans Thane Creek Industrial Area,  
Off. Thane Belapur Road, Navi Mumbai 400 705,  
Maharashtra

### CONTACT DETAILS

Telephone: 022-66364062

Fax : 022-66364060

E-mail: [investorcare@nocilindia.com](mailto:investorcare@nocilindia.com)

Website: [www.natocil.com](http://www.natocil.com)

### BANKERS

HDFC Bank Ltd.

AXIS Bank Ltd.

### AUDITORS

Deloitte Haskins & Sells

Chartered Accountants

### SOLICITORS & ADVOCATES

PDS Legal

Vigil Juris

## NOTICE

NOTICE is hereby given that the forty eighth Annual General Meeting of the Members of NOCIL Limited will be held at 4.00 p.m. on Friday, the 30 July 2010, at Rama Watumull Auditorium, K. C. College, Dinshaw Wacha Road, Churchgate, Mumbai-400 020, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit & Loss Account, Cash Flow Statement of the Company for the year ended 31 March 2010 and the Balance Sheet as at 31 March 2010 and the Reports of the Directors and the Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. C.L. Jain who retires by rotation under Article 145 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. D.N.Mungale who retires by rotation under Article 145 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. N. Sankar who retires by rotation under Article 145 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.
6. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** Messrs Deloitte Haskins and Sells, Chartered Accountants, Mumbai be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, to examine and audit the accounts of the Company for the financial year 2010-11, at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors plus reimbursement of out of pocket expenses and applicable taxes."

*By Order of the Board  
For **NOCIL Limited***

**V. K. Gupte**  
Company Secretary

### Registered Office:

Mafatlal House,  
H.T.Parekh Marg  
Backbay Reclamation,  
Churchgate, Mumbai-400 020.

Dated : 25 May 2010

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND TO VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

Proxies in order to be effective, must be received by the Company, at its Registered Office not less than 48 hours before the Meeting.

2. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, the 19 July 2010 to Friday, the 30 July 2010 (both days inclusive).
3. The dividend as recommended by the Directors, if approved, at the Annual General Meeting, will be paid at par on or after 5 August 2010 :
  - a) to those Members who hold shares in physical form and whose names appear on the Company's Register of Members as holders of Equity Shares on Saturday, 17 July 2010.
  - b) in respect of Shares held in electronic form, to the beneficial owners of the Shares as at the close of business hours on Saturday, 17 July 2010 as per the details to be furnished by National Securities Depository Ltd and Central Depository Services (India) Ltd.

### 4. Reappointment of Directors:

At the ensuing Annual General Meeting, Mr. C. L. Jain, Mr. D.N.Mungale and Mr. N. Sankar are due to retire by rotation and have offered themselves for re-appointment.

Pursuant to Clause 49 of the Listing Agreement, the particulars of Mr. C.L.Jain, Mr. D.N.Mungale and Mr. N. Sankar are given below:



<b>Mr. C.L.Jain</b>	
<b>Age &amp; Qualifications:</b>	76. M.Com., Member of the Institute of Company Secretaries of India, The Institute of Chartered Accountants of India, The Institute of Chartered Secretaries & Administrators, London, The Chartered Management Institute, London.
<b>Expertise in Specific Functional Areas</b>	Mr. Jain has more than 40 years of working experience with various organizations including ICI, Hindustan Lever Ltd, Hoechst India Ltd etc. He was the Finance Director of Hoechst India Ltd and later President of Ceat Asset Management Ltd. (Ceat Mutual Fund). He was visiting faculty Member of the Bajaj Institute of Management and other Institutes for 2 decades. He was also Chairman of the Banking and Finance Committee of the Bombay Chamber of Commerce and Industry for 4 years (1992-1996).
<b>Directorships held in other Companies</b>	1. Brescon Corporate Advisors Ltd. 2. Asit C. Mehta Investment Intermediates Ltd. 3. United Breweries Ltd. 4. Millennium Beer Industries Ltd. 5. Shaw Wallace Breweries Ltd. 6. RPG Life Science Ltd. 7. Practical Financial Services Pvt. Ltd.
<b>Memberships / Chairmanships of Committees of other Companies</b>	Audit Committee Chairman - RPG Life Science Ltd. Member - Brescon Corporate Advisors Ltd. United Breweries Ltd. Millennium Beer Industries Ltd. Investors Grievance Committee Member - United Breweries Ltd.
<b>Number of shares held in the company</b>	Nil
<b>Disclosure of relationship</b>	Mr. C.L.Jain is not related to any Director of the Company.
<b>Mr. D.N.Mungale</b>	
<b>Age &amp; Qualifications:</b>	56 B.Com., LL.B., Member of the Institute of Chartered Accountants of India
<b>Expertise in Specific Functional Areas</b>	Mr. Mungale has a varied experience in Corporate Finance and Banking with several reputed organisations and had worked in senior positions in Colour Chem Ltd, (Now Clariant (India) Ltd.), DSP Financial Consultants Ltd. Bank of America NT & SA, Mumbai and in London U.K. and DSP Merrill Lynch Ltd., Mumbai
<b>Directorships held in other Companies</b>	1. Indoco Remedies Ltd 2. Caprihans India Ltd. 3. Mahindra & Mahindra Financial Services Ltd. 4. Chowgule Steamships Ltd. 5. Camlin Ltd. 6. LIC Housing Finance Ltd. 7. Tamilnadu Petroproducts Ltd. 8. Sical Logistics Ltd.

<b>Mr. D.N.Mungale</b>	
<b>Memberships / Chairmanships of Committees of other Companies</b>	<b>Audit Committee</b> Chairman - Camlin Ltd. Indoco Remedies Ltd. Chowgule Steamships Ltd. Mahindra & Mahindra Financial Services Ltd. Member - LIC Housing Finance Ltd. Sical Logistics Ltd. Tamilnadu Petroproducts Ltd. <b>Compensation Committee</b> Chairman - Sical Logistics Ltd. Member - Chowgule Steamships Ltd. Mahindra & Mahindra Financial Services Ltd. Tamilnadu Petroproducts Ltd. <b>Shareholders Grievances Committee</b> Member - Mahindra & Mahindra Financial Services Ltd. <b>ALCO Committee</b> Member - Mahindra & Mahindra Financial Services Ltd
<b>Number of shares held in the company</b>	Nil
<b>Disclosure of relationship</b>	Mr.D.N.Mungale is not related to any Director of the Company.
<b>Mr. N.Sankar</b>	
<b>Age &amp; Qualifications:</b>	64 Master Degree in Chemical Engineering from the Illinois Institute of Technology, Chicago, U.S.A.
<b>Expertise in Specific Functional Areas</b>	Mr. Sankar is Chairman of the Sanmar Group, which has interest in the fields of Chlorochemicals, Speciality Chemicals, Shipping, Engineering, Insurance and Cement.
<b>Directorships held in other Companies</b>	1. Sanmar Holdings Ltd. 2. SHL Securities (Alpha) Ltd. 3. Bata India Ltd. 4. N. Kumar Investment Holdings Pvt. Ltd 5. NS Family Consolidations Pvt. Ltd. 6. NS Family Investments Pvt. Ltd. 7. N. Sankar Properties and Holdings Pvt. Ltd. 8. Vijay Sankar Investment Holdings Pvt. Ltd. 9. Chandra Sankar Investment Holdings Pvt. Ltd. 10. Madhurika Sankar Investment Holdings Pvt. Ltd. 11. FL Smidth Pvt. Ltd. 12. SHL Research Foundation 13. Chennai Willingdon Corporate Foundation 14. Chennai Heritage 15. Sanmar Overseas Investment AG.
<b>Memberships / Chairmanships of Committees of other Companies</b>	Audit Committee Member - Bata India Ltd.
<b>Number of shares held in the company</b>	Nil
<b>Disclosure of relationship</b>	Mr. N. Sankar is not related to any Director of the Company.

**Registered Office:**

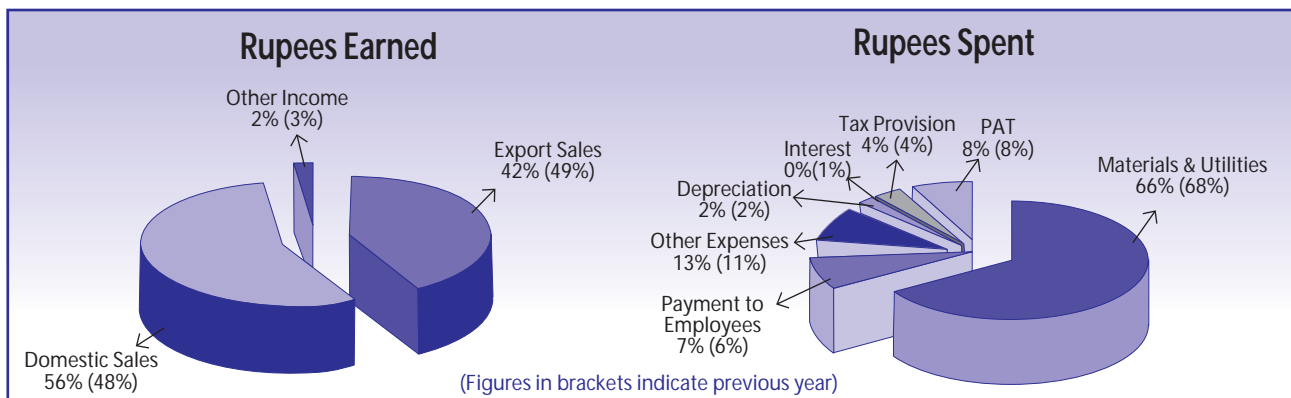
Mafatlal House,  
H.T. Parekh Marg, Backbay Reclamation,  
Churchgate, Mumbai 400 020.  
Date : 25 May 2010

By Order of the Board  
For **NOCIL Limited**

**V.K.Gupte**  
Company Secretary

Rs. in Lakhs

SUMMARISED FINANCIAL DATA						
Sl.	Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
<b>PROFIT &amp; LOSS ACCOUNT</b>						
1	Total Income	39155.46	32654.94	38988.49	47980.12	44607.69
2	Profit before Depreciation, Interest and Tax	7413.79	4210.90	2531.57	6574.48	5790.37
3	Interest	68.88	31.41	109.99	398.38	14.73
4	Depreciation	637.66	654.05	761.01	761.08	762.53
5	Profit before Tax from Operations	6707.25	3525.44	1660.57	5415.02	5013.11
6	Exceptional Items	0.00	0.00	0.00	0.00	0.00
7	Profit before Tax	6707.25	3525.44	1660.57	5415.02	5013.11
8	Profit after Tax	6093.31	2435.34	1120.75	3616.15	3402.68
9	Earning per share (EPS) Rs	4.11	1.51	0.70	2.25	2.12
10	Dividend (Rs. per Share)	0.50	0.50	0.50	0.60	0.60
<b>BALANCE SHEET</b>						
11	Net Fixed Assets	16798.56	17763.28	17449.17	10456.30	10300.46
12	Investments	302.31	1503.31	1444.31	2483.13	2483.13
13	Net Current Assets	15332.99	14775.86	19144.80	18704.50	19850.14
14	Borrowings	73.42	19.94	4097.22	3148.23	1671.07
15	Share Capital	16078.70	16078.70	16078.70	16078.70	16078.70
16	Reserves and Surplus	6280.18	7774.95	7955.13	10442.61	12716.62
17	Total Net Worth	22358.88	23853.65	24033.83	26521.31	28795.32
18	Deferred Tax Liability/(Deferred Tax Asset)	-157.87	912.13	1444.69	1974.39	2167.35
19	Book Value per Equity Share (Rs) (17/no of shares) (Face value-Rs 10 per share)	13.91	14.84	14.95	16.49	17.91
20	Debt / Equity Ratio (14/17)	0.00	0.00	0.17	0.12	0.06
21	Operating EBIDTA (%) (2/1)	19%	13%	6%	14%	13%
22	Profit before Tax from Operations (%) (5/1)	17%	11%	4%	11%	11%
23	Return on Net Worth (%) (5/17)	30%	15%	7%	20%	17%
24	Return on Capital Employed (%) {2/(11+12+13)}	23%	12%	7%	21%	18%



## DIRECTORS' REPORT

Dear Members,

Your Directors present their Report together with the Audited Accounts of the Company for the year ended 31 March 2010.

FINANCIAL RESULTS		<i>Rs. in Crore</i>
Particulars	For the year ended 31 March 2010	For the year ended 31 March 2009
Profit before Depreciation, Interest and Taxation	57.91	65.74
Less: Depreciation	7.63	7.61
Less: Interest	0.15	3.98
Profit before Tax	50.13	54.15
Provision for Taxation (including wealth tax and fringe benefit tax)	16.10	17.99
Profit after Tax	34.03	36.16
(Deficit) / Surplus brought from previous period	21.12	(3.76)
Proposed Dividend	9.65	9.65
Tax on Dividend	1.64	1.64
Balance carried to Balance Sheet	43.86	21.12

### PERFORMANCE OF THE COMPANY

The turnover of the Company for the year under review was Rs.460 crore as compared to Rs.499 crore representing a decrease of 7.87% over the previous year. The production of rubber chemicals and their intermediates was 36697 MT for the year under review as against 33573 MT representing an increase of 9.30 % as compared to the previous year.

The year 2009-10 started with an unprecedented negative outlook due to the global financial meltdown. Fortunately, the situation in India had started turning positive as compared to the Western world. As a result, the domestic Tyre industry got back to normal production levels and consequently demand for our rubber chemicals showed a healthy trend in the domestic market.

We are therefore happy to inform you that the Company experienced positive volume growth during the year under review and this growth as mentioned earlier was driven mainly by Domestic Sales. However on the export front, after a very sudden drop in volumes, your Company managed to substantially recover its volumes in the Second Half.

The selling prices remained more or less flat for the most part of the year in the domestic market although costs kept going up. During the last quarter of the year, an attempt was made to increase the selling prices of select products to recover some of the cost increases witnessed during the period.

Raw material prices started hardening from the beginning of the 2nd half of the year consequent to crude prices surging to

US\$ 80 per barrel. We are happy to inform you that despite the cost increases, through a combination of timely bookings of raw materials at best possible prices, better management of various operational parameters coupled with some increases in selling prices, the actual profits for the year remained more or less at the same level as that of the previous year.

During the year, the Company managed to pay off all its secured loans in the first quarter of the year itself. Even the unsecured loan taken from SICOM has been paid during May 2010. We are happy to inform you that as of date, the Company is completely debt free and this is particularly significant since we are in the process of raising funds for the proposed expansion Project in Dahej, Gujarat.

### EXPORTS

During the year under review, the Company was able to achieve exports of Rs. 181 crore as against Rs. 231 crore in the previous year. The export volumes also, were lower by about 8% as compared to the previous year due to reduced demand in the international market. Rupee appreciation also adversely affected our exports realizations. Export volumes did however improve substantially in the 2nd half of the year under review over the 1st half consequent to partial recovery in the overseas markets. Given this background, we are hopeful of further recovery in volumes in the FY 2010-11 as compared with the FY 2009-10.

### BUSINESS SCENARIO

Although the global economic scenario has shown some signs



of improvement, we need to carefully watch the developments in the coming year.

The Rubber Chemicals market remained competitive and the dumping by international exporters into India continues to be a concern.

China's export subsidies and undervalued currency continues to keep our product pricing depressed, although input costs have risen significantly over the year putting pressure on margins. Due to weak demand in their own domestic markets, competition from developed countries in the European Union region as well as South Korea continues to be intense in the Indian market. The Company is responding to this with concerted efforts to improve its share with existing customers as well as trying to create new opportunities in untapped markets.

Despite these problems, your Board is pleased to convey that most of the major international tyre customers continue to rely on and do healthy business with the company for their regular requirements of rubber chemicals. The Company continues to maintain a very strong and long term relationship with all its domestic and international customers and they in turn have accepted the status of the Company as one of the leading global manufacturers of rubber chemicals with very high technological capabilities.

## PROJECT

As informed to you last year, the Company had decided to go slow on the proposed expansion Project in Dahej, Gujarat, due to the global recessionary conditions. Given the present automobile sector growth in India and also the major expansion plans being implemented by the Domestic Tyre Companies coupled with the fact that the Global Tyre industry is also operating close to their normal levels, we are confident that the Company can now go ahead and implement the first phase of the Project and we see more than adequate demand for the additional capacities that will come up with this Project. A suitably modified plan for the said project has been finalized and we are happy to inform you that the overall Engineering Package is in the advanced stages of completion. The Company now plans to implement this phase of the project at a cost of approximately Rs. 250 crore. Discussion for financing the project are at an advanced stage with prospective lenders.

The project is expected to be commissioned during the Second half of FY 2011-12. On its successful implementation, your Company's position in the market place will strengthen not only in terms of higher market share but also in terms of more cost effective and cleaner processes.

As already stated in the previous reports, all the necessary

Clearances from the Central and the State Government authorities have also been obtained. Most of the infrastructural work too has been completed. The Company has so far spent a sum of Rs.24 crore on the project.

## DIVIDEND

Your directors are pleased to recommend payment of dividend of Re. 0.60 per share of Rs.10/- each (6%), on the equity share capital of the Company. The dividend, together with the tax on Dividend, will absorb a sum of Rs. 11.29 crore.

## TRANSFER OF UNPAID DIVIDEND TO THE INVESTOR EDUCATION AND PROTECTION FUND

As per the provisions of section 205C of the Companies Act, 1956, all unpaid dividends including and up to final dividend for the year 1997-98 and the Fixed Deposits lying unclaimed with the Company up to 31 March 2003 have been transferred to the Investor Education and Protection Fund.

## FIXED DEPOSITS

As on 31 March 2010, fixed deposits amounting to Rs. 0.20 crore have not been claimed by the depositors from the Company. The fixed deposits which have matured on or before 31 March 2003 but remained unclaimed since then, have been transferred to Investor Education & Protection Fund, as required under Section 205C of the Companies Act, 1956.

## INSURANCE

The Company has taken all the necessary steps to insure its properties and insurable interests, as deemed appropriate and also as required under the various legislative enactments.

## HEALTH, SAFETY AND ENVIRONMENT

The Company is certified for ISO 14001:2004 (Environment Management Systems) and BS OHSAS 18001:2007 (Occupational Health & Safety System Standards), and ensures continuous improvements in the area of Health, Safety and Environment.

The Company follows a well established and responsible policy on health, safety and environment, which every employee is expected to follow and also carefully monitor various practices and procedures which are adopted. The sustainability of the business itself reflects the sincere commitment of the management to implement the health, safety and environment policy in totality. Direct and indirect employees are trained in technical skills required to handle various hazardous chemicals, fire fighting jobs and first aid cases. The Company conducts pre-employment as well as regular periodic medical checkups across all employees including contractors' employees to monitor their health on a regular basis. The Company's management wishes to reiterate its deep and abiding

commitment to this cause. I am happy to inform you that your Company has been regularly extending support on Safety & Medical front to those affected in the vicinity of our plant including the fire department of Navi Mumbai Municipal Corporation as part of our continued Corporate Social responsibility.

### **TOTAL QUALITY MANAGEMENT**

As mentioned above, the Company continues to be certified for "Total Quality Management System" which comprises of ISO 9001:2008 (Quality Management Systems), ISO 14001:2004 (Environment Management Systems) and BS OHSAS 18001:2007 (Occupational Health & Safety System Standards). We are happy to mention that the Company enjoys an exemplary track record in Total Quality Management System in view of continual improvements in this area. The Quality Control Laboratory of the Company has also been certified for ISO 17025 (Quality Assurance System) which is a unique feature in this field and assures highest quality standards to all its internal and external customers.

### **RESEARCH & DEVELOPMENT**

Your Board would like to make a special mention about the excellent work done by the R&D and Technology groups of the Company. Some of the initiatives taken in this connection by the Company are expected to yield excellent long term benefits for the organization. The expansion project in Dahej which is now under implementation is based on the processes developed in house by these groups. The Company has also patented some of the work by its R&D.

### **RISK ASSESSMENT AND MANAGEMENT**

The Company has a well defined Risk Management System in place as a part of its good Corporate Governance practices. All the risks are identified at various departmental levels and suitable mitigation measures are adopted. These are subjected to a quarterly review by the Risk Co-ordination Committee as well as the Audit Committee of your Board. The Company has assigned the key risks to various Risk Owners and has made them responsible for mitigation plans and review of these risks from time to time.

There are adequate internal controls, systems, and checks in place, commensurate with the size of the Company and the nature of its business. The management exercises financial control on the operations through a well defined budget monitoring process and other standard operating procedures. The Company has appointed an external professional agency to conduct the internal audit and the findings and recommendations of the Internal Auditors are placed before the Audit Committee of your Board regularly for further corrective actions.

### **SUBSIDIARY COMPANIES**

The Annual Reports of its three subsidiaries viz. Ensen Holdings Limited, Urvija Investments Limited and PIL Chemicals Private Limited for the year ended 31 March 2010 are enclosed separately and form an integral part of the Annual Report of NOCIL Limited.

We are pleased to inform you that PIL Chemicals Pvt Ltd, a Company which was acquired by your Company has not only started making profits but also managed to wipe out its accumulated losses in its 3rd year of operation under the NOCIL Management.

In view of insignificant operations of both Ensen Holdings Ltd and Urvija Investments Ltd and to consolidate the operations of subsidiary companies, the Board of Directors of the respective subsidiary Companies approved in principle the merger of M/s. Ensen Holdings Ltd. and M/s. Urvija Investments Ltd., with M/s PIL Chemicals Pvt. Ltd. which is operating company and doing processing work for your Company with effect from 1 April 2010.

The subsidiary companies are in the process of filing necessary Petition with Hon'ble Bombay High Court for approval of Scheme of Merger.

Pursuant to the requirements of Clause 32 of the Listing Agreement, the details of Loans / Advances made to and investments made in the subsidiaries have been furnished in Schedules forming part of the Accounts.

A statement pursuant to Section 212 of the Companies Act, 1956, relating to the Company's interest in the Subsidiary Companies is provided separately.

### **CONSOLIDATED FINANCIAL STATEMENTS**

The Consolidated Financial Statements are prepared by your Company in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India and the same together with Auditors' Report thereon form part of the Annual Report.

### **PERSONNEL**

The relations between the employees and the management, during the year, have been cordial. The Directors wish to thank all the employees for their continued support and co-operation during the year under review.

### **STOCK OPTIONS**

In terms of your approval read with the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, the details required to be provided under the Securities and Exchange Board of