

Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

In exercise of the powers conferred by section 642 read with clause (e) of sub-section (1) of section 217 of the Companies Act, 1956 (1 of 1956), the Central Government hereby makes the following rules, namely :-

1. (1) These rules, may be called the **Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.**
(2) They shall come into force on the 1st day of April, 1989.
2. Every company shall, in the report of its board of directors, disclose particulars with respect to the following matters namely :-
 - A. Conservation of energy :
 - (a) energy conservation measures taken ;
 - (b) additional investments and proposals, if any, being implemented for reduction of consumption of energy ;
 - (c) impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods ;
 - (d) total energy consumption and energy consumption per unit of production as per Form A of the Annexure in respect of industries specified in the Schedule thereto.
 - B. Technology absorption :
 - (e) efforts made in technology absorption as per Form B of the Annexure :
 - C. Foreign exchange earnings and outgo :
 - (f) activities relating to exports; initiatives taken to increase exports ; development of new export markets for products and services ; and export plans ;
 - (g) total foreign exchange used and earned.

ANNEXURE

FORM A

(See rule 2)

Form for Disclosure of Particulars with respect to Conservation of Energy.

A. *Power and fuel consumption*

1. *Electricity*

(a) *Purchased*

Current year

Previous year

Unit

Total amount

Rate/unit

(b) *Own generation*

(i) *Through diesel generator*

Unit

Units per ltr. of diesel oil

Cost/unit

(ii) *Through steam turbine/generator*

Units

Units per ltr. of fuel oil/gas

Cost/units

2. *Coal (specify quality and where used)*

Quantity (tonnes)

Total cost

Average rate

3. *Furnace oil*

Quantity (k. ltrs.)

Total amount

Average rate

4. *Others/internal generation (please give details)*

Quantity

Total cost

Rate/unit

B. *Consumption per unit of production*

| | Standards (if Current any) | Current year | Previous year |
|--|-------------------------------|-----------------|------------------|
| | | 1 | 2 |

Products (with details) unit

Electricity
Furnace oil
Coal (specify quality)
Others (specify)

NOTES:

- (1) Please give separate details for different products/items produced by the company and covered under these rules.
- (2) Please give reasons for variation in the consumption of power and fuel from standards of previous year.
- (3) In case of production of different varieties/specifications consumption details may be given for equivalent production.

SCHEDULE

(See rule 2)

List of Industries which should furnish information in Form A

1. Textile
2. Fertilizer
3. Aluminium
4. Steel
5. Refineries
6. Petro-chemicals and chemicals
7. Cement
8. Dairy and food processing
9. Cold storage plant
10. Electric arc furnaces
11. Chlor alkali
12. Edible oil
13. Engineering (Steel forging and re-rolling)
14. Glass
15. Jute
16. Paper
17. Refractory and pottery
18. Tea
19. Tyre
20. Sugar
21. Drugs and pharmaceuticals

FORM B

(See rule 2)

Form for disclosure of particulars with respect to absorption.

Research and development (R & D)

1. Specific areas in which R & D carried out by the company.
2. Benefits derived as a result of the above R&D
3. Future plan of action
4. Expenditure on R & D :
 - (a) Capital
 - (b) Recurring
 - (c) Total
 - (d) Total R & D expenditure as a percentage of total turnover

Technology, absorption, adaptation and innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation.
2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished :
 - (a) Technology imported.
 - (b) Year of import.
 - (c) Has technology been fully absorbed ?
 - (d) If not fully absorbed, areas where this has not taken place, reasons there for and future plans of action.