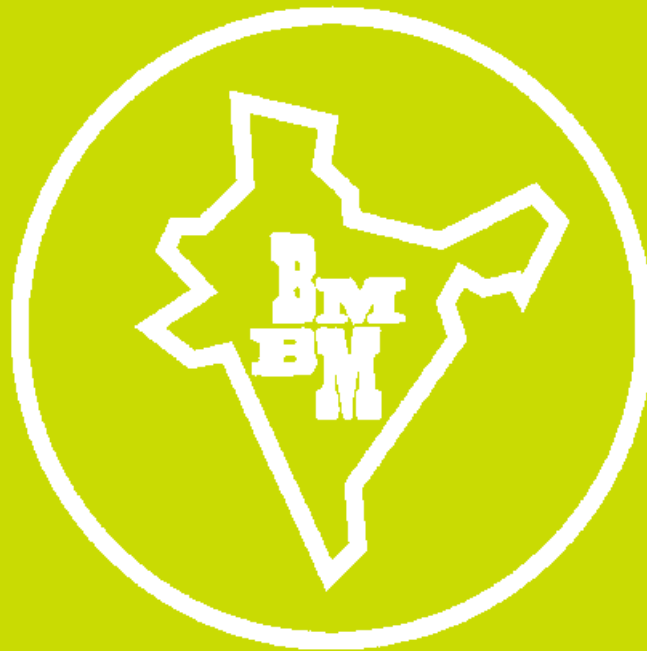

BORAX MORARJI LIMITED



FORTY EIGHTH ANNUAL REPORT

2011-2012

BORAX MORARJI LIMITED

DIRECTORS	L. N.GOCULDAS, Chairman B.L.GOCULDAS, Managing Director w.e.f.1 st April,2012 MITIKA L. GOCULDAS D.S.PAREKH (Alternate to Mitika L. Goculdas) upto 8 th December,2011 S.K.DIWANJI R.SANGHI S.V.JOSHI
CHIEF EXECUTIVE OFFICER	H.T.KAPADIA up to 31 st March, 2012
COMPANY SECRETARY	DILIP S. NAGLE
AUDITORS	K.S.AIYAR & CO
BANKERS	STATE BANK OF INDIA DENA BANK INDIAN OVERSEAS BANK
SOLICITORS	CRAWFORD BAYLEY&CO.
REGISTERED OFFICE	Prospect Chambers, 317/21, Dr.D.N.Road, Mumbai 400 001
WEBSITE	www.boraxmorarji.com
REGISTRAR & TRANSFER AGENTS	M/S LINK INTIME INDIA PVT. LTD. (formerly Intime Spectrum Registry Ltd.) C-13, Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup(W) Mumbai 400 078 Tel.No. 022 - 25963838
WORKS	CHEMICAL DIVISION Mahatma Gandhi Road Ambarnath 421 501(Dist.Thane) Maharashtra Tel.No. 0251 2682271/72 WIND MILL FARMS 1. Thoseghar/Maloshi/Vankusawade Dist. Satara, Maharashtra 2. Nani Sindhodi Kutch, Gujarat

NOTICE

Notice is hereby given that the FORTY EIGHTH ANNUAL GENERAL MEETING of BORAX MORARJI LIMITED will be held at the Indian Merchants' Chamber Conference Hall (Walchand Hirachand Hall), IMC Marg, Mumbai 400 020 on Monday, the 24th September, 2012 at 11.30 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. Ranjan Sanghi, who retires by rotation under Article 131 of the Articles of Association and, being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Ms. Mitika L. Goculdas, who retires by rotation under Article 131 of the Articles of Association and, being eligible, offers herself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:-
"RESOLVED THAT, the appointment of Mr. Bimal Lalitsingh Goculdas, as the Managing Director of the Company, subject to the provisions of Sections 198, 309, 316, 349 and Schedule XII and other applicable provisions, if any, of the Companies Act, 1956, for a period of 3 (three) years with effect from 1st April, 2012 made by the Board of Directors of the Company (hereinafter referred to as the "Board") vide its resolution passed at its meeting held on 2nd April, 2012 and the remuneration payable to Mr. Bimal Lalitsingh Goculdas pursuant to the aforesaid resolution as set out in the Explanatory Statement to this Notice be and is hereby approved."
"RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient and proper."

NOTES:

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE 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 FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- (2) An Explanatory Statement under Section 173(2) of the Companies Act, 1956 in respect of the Special Business under Item No.6 is hereto annexed.
- (3) The Register of Members and Share Transfer Books of the Company will be closed from Tuesday, 18th September, 2012 to Monday, 24th September, 2012 (both days inclusive)
- (4) Members holding shares in physical form are requested to notify the Registrars & Transfer Agents of the Company of any change in their address with Postal Pin Code Number quoting their Folio Numbers. Members holding shares in electronic form may inform their respective depository participants of change in address and bank account details.
- (5) As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are, therefore, requested to bring their copies of the Annual Report to the Meeting.
- (6) Members/Proxies should bring Attendance Slip duly completed for attending the Meeting.
- (7) Queries on accounts and operations of the Company, if any, may please be sent to the Company at least seven days in advance of the meeting so that the answers may be made readily available at the Meeting.
- (8) Members may please note that as per the Companies (Amendment) Act, 1999, dividend which remains unpaid/unclaimed over a period of 7 years has to be transferred to the Investor Education & Protection Fund constituted by the Central Government under Sec. 205A(I) and 205C of the Companies Act, 1956 and no payments shall be made in respect of such claims by the Fund. It may be noted that the unclaimed dividend for the financial year ended on 31st March, 2005 is due for transfer to the Investor Education & Protection Fund in October, 2012.
- (9) Shareholders who have not encashed the Dividend Warrant(s) for the financial years 2004-2005, 2005-2006, 2006-2007, 2007- 2008, 2008-2009, 2009-2010 and 2010-2011 are requested to write to the Registered Office of the Company without any delay.

By Order of the Board of Directors

(Dilip S. Nagle)
Company Secretary

Registered Office:

Prospect Chambers,
317-21 Dr. D.N. Road,
Mumbai 400 001

Date: 9th August, 2012.

ANNEXURE TO NOTICE

Explanatory Statement as required under Section 173(2) of the Companies Act, 1956.

Item No.5:-

At a meeting of Board of Directors held on 2nd April, 2012, the Board of Directors ("Board"), subject to the approval of the Shareholders by way of Special Resolution appointed Mr. Bimal L. Goculdas as the Managing Director of the Company for a period of 3 (three) years from 1st April, 2012.

The main terms of appointment, remuneration, perquisites, etc. of Mr. Bimal L. Goculdas as Managing Director which are subject to the approval of the Member of the Company are as under:

Terms:

The appointment shall be effective from 1st April, 2012, for a period of three years, subject to earlier terminated by either side by giving six months notice.

Remuneration and Perquisites

He shall not be eligible to receive any remuneration from the Company for the above period of appointment. However, he shall be eligible for such benefits as may be permissible and as may be decided by the Board of Directors of the Company, subject to the requisite approvals as may be necessary.

The monetary value of such benefits if any availed by him will be evaluated as per the Income-tax Rules and subject to the requisite taxation accordingly.

In the event of loss or inadequacy of profits in any year, such benefits, if any, will be paid in accordance with the Schedule XIII to the Companies Act, 1956 as amended from time to time.

The appointment and the availment of the above benefits, if any, will be subject to the provisions of Sections 198, 309 and 349 of the Companies Act, 1956 and subject to the consent of the shareholders of the Company.

By Order of the Board of Directors

(Dilip S. Nagle)
Company Secretary

Registered Office:

Prospect Chambers,
317-21 Dr. D.N. Road,
Mumbai 400 001

Date: 9th August, 2012.

THE LAST FIVE YEARS

		2007-08	2008-09	2009-10	2010-11	2011-12	
		₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	
1.	TURNOVER : (Excluding Excise Duty)						
	Domestic Sales	7374.21	6842.18	6555.22	6966.26	6923.15	
	Export Sales	545.36	478.44	324.07	326.57	675.95	
	Total Turnover	<u>7919.57</u>	<u>7320.62</u>	<u>6879.29</u>	<u>7292.83</u>	<u>7599.10</u>	
2.	PROFIT / (LOSS) :						
	For the year Before Tax	584.34	528.62	384.30	207.54	(384.24)	
	For the year After Tax	375.75	388.78	259.33	137.19	(298.76)	
3.	CAPITAL :						
	Equity Capital (Including Bonus & Rights Issue)	451.97	451.97	451.97	451.97	451.97	
4.	RESERVES & SURPLUS :						
	(Excluding Revaluation Reserves)						
	Capital Reserve	35.00	25.00	25.00	25.00	35.00	
	Share Premium Account	70.38#	70.38#	70.38#	70.38#	70.38#	
	General Reserve	616.79	666.79	696.79	711.79	711.79	
	Profit & Loss Account	76.99	234.21	330.35	373.74	74.98	
	Total Reserves & Surplus	<u>799.15</u>	<u>996.38</u>	<u>1122.52</u>	<u>1180.91</u>	<u>892.15</u>	
5.	DIVIDEND :						
	Amount On Equity Capital	₹ in Lakhs	158.19	158.19	112.99	67.80	0.00
	% of Equity Capital	%	35	35	25	15	-

After adjustment for diminution in value of investment in shares.

Directors' Report

(including Management Discussion and Analysis Report)

The Board of Directors presents the Forty Eighth Annual Report of the Company together with the Audited Statements of Account for the financial year ended 31st March, 2012.

	Rs. in lakhs	
	2011-12	2010-11
FINANCIAL RESULTS		
Turnover (Excluding Excise Duty)/ Income from operations	7726.92	7400.40
Gross profit/(loss)	(178.69)	408.33
Less : Depreciation	205.55	200.79
Profit/(Loss) before taxation	(384.24)	207.54
Provision for Taxation		
Current Tax	-	99.00
Deferred Tax	(85.48)	(28.65)
Profit/(Loss) after tax	(298.76)	137.19
Amount available for appropriation	74.98	467.54
Your Director have made the following appropriations:		
(i) Proposed Dividend	-	67.80
(ii) Corporate Dividend Tax	-	11.00
(iii) Transfer to General Reserve	-	15.00
(iv) Balance carried to Balance Sheet	74.98	373.74
	74.98	467.54
Turnover (excluding Excise Duty)/ Income from Operations:-		
Boron based products	7498.74	7113.58
Wind Mill Farm	127.82	107.57
Others	100.36	179.25
Total Turnover/Income from operations	7726.92	7400.40

DIVIDEND

In view of inadequate profit during the year, your Directors regret their inability to recommend any dividend.

MANAGEMENT DISCUSSION & ANALYSIS

(a) Overview of operations:

The financial year under review began on a positive note. However, the economy started witnessing a rise in inflationary trend during the second half of the year which together with tightening of the monetary policy and a widening trade deficit resulted in a slow-down in the overall demand scenario. Inflationary pressures continued unabated during the year with adverse impact on our overheads. Fuel price hikes and a steep depreciation in the Indian Rupee added to input costs. Power outages and sporadic non availability of our key raw materials added to input and conversion costs, were not compensated by selling price in highly competitive market.

Things have not improved during the current financial year also, as the rupee continues to weaken and declined continuously to a low of Rs 57/\$ and the movement in the rupee is unpredictable due to high volatility seen over the past four months.

As a result, during the year, your Company incurred loss before depreciation and taxes of Rs.178.69 lacs as against profit of Rs.408.33 lacs in the previous year. The impact on profit before and after tax was even more severe. This also put pressure on your Company's cashflow position and debt servicing ability.

The turnover, however, increased to Rs. 7726.92 lacs during the year as against Rs. 7400.40 lacs in the previous year.

During the year 2011-12, the performance of windmills at Satara, in the Maharashtra State and Kutch, in the state of Gujarat remained satisfactory generating wind energy to the tune of 2416457 kwh units as compared to 2138271 kwh units of wind energy generated during the previous year.

(b) Industry Structure, Development

CHEMICAL DIVISION:

The Company maintained its market leadership position and is well positioned to achieve growth in terms of volumes through better service levels and management of costs. Your Company has the reputation of providing quality products at reasonable prices.

Your Company's quality Management System has been continuously awarded certificate by Bureau of Veritas Quality International (BVQI) for ISO 9001:2008 for manufacture of boron and speciality boron products.

As mentioned in the last year Annual Report, Company has successfully developed and marketed a product "POTASSIUM TETRABORATE" which has good market potential in domestic as well as International market. Company has already started manufacturing this product at our Ambarnath Plant and proposes to manufacture it on large scale at its new expansion plan at Dahej during current financial year.

Your Company's R & D division is putting efforts in introduction of new products which would cater to the needs of local as well as overseas market.

WIND MILL FARM

The Company has two wind farm at Satara in the State of Maharashtra, consisting of 5 Nos. wind turbine generators having capacity of 1.252 MW and another 0.60 MW Capacity wind turbine generator at Kutch in State of Gujarat.

Units of electricity generated by the Wind Mill Farm at Satara are being used partly to meet electricity requirement at chemical division, Ambarnath in Maharashtra State and partly sold to the Maharashtra State Electricity Distribution Company Ltd. As regard Units generated at the Wind farm at Kutch are being sold to Gujarat Urja Vikas Nigam Limited under the power purchase agreement entered by Company with them.

(c) Outlook

The outlook of the Company in the medium to long term is growth oriented. The only constraint is high debt and less capacity utilization due to long term working capital shortage. The efforts are continued for infusion of long term fund in the system to take off the pressure of the debts.

The synergy of utilization of product mix of special quality boron products and efficiency in the manufacturing processes are the key factors to bring turnaround in the Company.

(d) Opportunity, threats, risks and concerns

The rising cost of import, especially in respect of boron products is a limiting factor as boron manufacturing is fully dependent on import of raw material. Procurement of quality raw material at competitive rates is a matter of concern which involves exchange risk. Moreover, the marginal difference in custom duty on imported raw materials and finished products is likely to affect the margins of the Company and may affect operations of your Company.

(e) Adequacy of internal controls

The Company has an established independent and adequate system of internal controls commensurate with nature of its business and size of its operation to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition, and those transactions are authorized, recorded and reported correctly. This system also complies with the suggestions of the Statutory Auditors of the Company, if any, from time to time. The internal control systems are supplemented by regular reviews by the management of the Company.

(f) Human Resource Development

The Company undertakes periodic review of its HR policies and encourages the best performance at all times. The Company also provides regular training to its workforce which allows employees to keep themselves abreast of the changing environment as well as develop new skills.

(g) Cautionary Statement

Certain statements in the "Management Discussion and Analysis Section" may be forward looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of the future performance and outlook. The Company cannot guarantee the accuracy of assumptions and perceived performance of the Company in future. Therefore, it is cautioned that the actual results may materially differ from those implied in the report.

(h) Insurance

The Company's all fixed assets, plant & machineries and stocks are adequately insured.

POLLUTION & SAFETY

Stringent controls and strict monitoring of liquid effluents are carried out regularly to restrict pollution to the minimum and keep it within the limits prescribed by the statutory authorities

SUBSIDIARY COMPANY

Borax Morarji (Europe) GmbH is a 100% wholly owned subsidiary Company in Germany. Primarily it takes care of complying with the German Regulations for exports of Specialty boron products to Germany and Europe.

In terms of exemption granted by the Ministry of Corporate Affairs vide its Oder No.2/2011 dated 8th February, 2011. Balance Sheet of Borax Morarji (Europe) GmbH, Germany is not attached to the account of the Company. However, the annual accounts of the subsidiary are available for inspection at the office of the Company and the related detailed information will be made available to the Shareholders when asked for.

CONSOLIDATION OF ACCOUNTS

In pursuance of the mandatory compliance of the Accounting Standard 21, as issued by the Institute of Chartered Accountants of India, the Company has presented Consolidated Financial Statements for the year under Report, consolidating its Accounts with the Accounts of its Wholly Owned Subsidiary Company, viz., Borax Morarji (Europe) GmbH, Germany. A separate Report of the Statutory Auditors on the Consolidated Financial Statements also forms part of the same.

FIXED DEPOSITS

Out of deposits maturing during the year, a total amount of Rs.4,60,000/- remained unclaimed as on 31st March, 2012 of which Rs.1,05,000/- has since been renewed / repaid. Necessary follow-up is being made with the remaining deposit holders.

DIRECTORS

Mr. D.S. Parekh, Alternate Director to Ms. Mitika L. Goculdas resigned w.e.f. 9th December, 2011 on personal grounds after a long association with the company for more than two decades. The Directors place on record their appreciation and gratitude for the valuable advice, guidance, assistance and support given by him during his association with the Company.

In accordance with the provisions of the Companies Act, 1956 and Article 131 of the Articles of Association of the Company Mr. Ranjan Sanghi and Ms. Mitika L. Goculdas retire by rotation at the ensuing Annual General Meeting of the Company, and being eligible, offer themselves for re-appointment.

MANAGEMENT

Mr. H.T. Kapadia, retired in March 2012 from his position as Chief Executive Officer & Manager, on completion of his contractual term after more than a decades of association with the Company. The Board would like to place on record its appreciation for the services rendered by Mr. H.T. Kapadia

in various capacities till his retirement. Mr. Bimal L. Goculdas, is appointed as Managing Director, effective 1st April 2012 for a period of 3 (three) years subject to the approval of Members in the ensuing Annual General Meeting. Mr. Bimal L. Goculdas is associated with the company for more than twelve years and has rich experience in the industry.

DAHEJ PROJECT

The capex plans undertaken by the Company at Dahej are under various stages of implementation and are expected to be commissioned in the phased manner during second half of current financial year 2012-13. Upon completion, this projects would significantly strengthen cost base, logistic advantage and good work environment which in turn would enhance profitability and competitiveness. The Company has already incurred an amount of Rs.1130.00 lacs on this Proeject which have been met through borrowing from Promoters and unsecured loans.

Observations of the Auditors in their Report to the Members

With regards to the observation of the Auditors in their report to the Members of the Audited Accounts for the year ended 31st March, 2012 :

Sr.No. 4(f)(i) Rs.64.73 lacs is receivable from the insurer viz., New India Assurance Company Limited. For this recovery, the Company has filed a complaint with the State Consumer Redressal Commission (SCRC), Mumbai and the Commission has passed an interim order in favour of the Company for Rs..6.93 lacs which Company has withdrawn on furnishing Bank Guarantee. Case is pending before SCRC for the final hearing. The Management is hopeful of a favourable decision, therefore, no provision in this regard considered necessary.

4(f)(ii) In respect of Rs.14.22 lacs receivable from State Trading Corporation of India Ltd.(STC), the STC has filed an appeal in Delhi High Court against the order passed, in favour of the Company by Tis Hazari court, New Delhi which is pending, management is hopeful of favourable decision in company's favour hence no provision in this regard considered necessary.

4(f)(iii) As regards Rs.28.00 lacs deposited by the Company in the Court in respect of certain issues raised by Customs Authorities related to DEPB License against which Company has preferred an appeal, which is pending before CESTAT, therefore no provision has been made.

Sr. No.4 (g) regarding the amount of Rs.22.26 lacs overdue for more than one year, the Management is hopeful of arriving at amicable settlement with the party.

Sr. No.4 (h) regarding Rs. 47.67 lacs expenses incurred on Proposed Right Issue which has not taken place till date, the Management has decided to defer the schedule of the Right Issue, due to present economic scenario. The Management will review the situation and will decide about Right Issue at appropriate time.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, (hereinafter referred to as the "Act") your Directors confirm that:-

- (i) in the preparation of the Annual Accounts, all applicable accounting standards have been followed and there was no material departure from the accounting standards;
- (ii) they had selected such accounting policies and applied them consistently and made judgments 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 31st March, 2012 and of the Profit / (Loss) of the Company for the year ended 31st March, 2012.
- (iii) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities;
- (iv) they had prepared the Annual Accounts on a going concern basis.

AUDITORS

Messrs K.S. Aiyar & Co., Chartered Accountants and Statutory Auditors of the Company, retire at the forthcoming Annual General Meeting and are eligible for re-appointment. They have, under Sec. 224(1) of the Companies Act, 1956, furnished Certificate of their eligibility for re-appointment.

COST AUDITOR

To comply with the directive of the Government of India, Department of Company Law Affairs, Cost Audit Branch, New Delhi, the Board of Directors appointed Mr. S. S. Dongare as the Cost Auditor on a remuneration of Rs.35,000/- for the accounting year ending 31st March, 2013 for the audit of the cost accounts in respect of Boric Acid.

PARTICULARS OF EMPLOYEES

During the year ended 31st March, 2012, there was no employee within the purview of Sec. 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As per Sec. 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, the relevant data pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo are set out in Annexure to this Report.

CORPORATE GOVERNANCE

The Company has complied with the provisions of Corporate Governance under the Listing Agreement with the Stock Exchange for the year 2011-12. A separate report on Corporate Governance is sent herewith as part of the Annual Report along with the Auditors' Certificate on compliance.

ACKNOWLEDGMENTS

The Directors are thankful to all the shareholders, various Government Departments, Banks, Customers and Employees for their valuable co-operation and assistance during the year.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 9th August, 2012.

L. N. Goculdas
(Chairman)

Annexure

ANNEXURE TO DIRECTORS' REPORT

Information under Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

I. Conservation of Energy

- | | |
|--|---|
| (a) Energy Conservation Measures taken | Installation of Frequency Converter to optimize power consumption at various rotation equipments. |
| (b) Addition investments and proposals, if any, being implemented for reduction of consumption of energy | Being studied. |
| (c) Impact of measures at (a) & (b) above for reduction of energy | Reduction in the cost of production |

FORM A

(Form for disclosure of particulars with respect to conservation of energy)

A. Power and Fuel Consumption

	Current Year (ended on 31-3-2012)	Previous Year (ended on 31-3-2011)
1. Electricity:		
(a) Purchased:		
Units/KWH	33,62,377	34,51,136
Total amount (Rs. Lakhs)	231.81	195.19
Rate/ Unit Rs.	6.89	5.66
(b) Own generation:		
(i) Through Diesel Generator:		
Units/KWH	2835	3869
Units per litre of Diesel Oil	2.70	2.70
Cost of Unit of Diesel Oil Rs./KWH	15.83	15.77
(ii) Through Wind Mill Farm:		
Units/KWH	24,16,457	21,38,271
2. Coal:		
Quantity (Tonnes) (Grade varies from A to D)	7479	6652.04
Total Cost (Rs. Lakhs)	394.11	303.84
Average rate (Rs./Tonne)	5270	4,568
3. Furnace Oil/ Diesel Oil/		
Quantity (litres)	1050	1438
Total amount (Rs. Lakhs)	0.45	0.58
Average rate (Rs./litre)	42.74	40.58

B. Consumption per unit of production:

	Current Year (ended 31-3-2012)			Previous Year (ended 31-3-2011)		
	Elec. Units (KWH)	Diesel/L.D.. Oil (litre)	Coal (MT)	Elec. Units (KWH)	Diesel/L.D.. Oil (litre)	Coal (MT)
Product:						
Borax	55	-	-	55	-	-
Boric Acid	260	-	-	245	-	-
Boric Acid SQ	450	-	-	450	-	-

II. Technology Absorption

FORM B

(See Rule 2)

(Form for disclosure of particulars with respect to Technology Absorption)

1. Specific area in which R & D carried out	a) Commercial production of value added boron products (after successful trials at Laboratory & Pilot Plant levels) is being taken up as per the requirements of local/overseas markets.
	b) Manufacture of Speciality Boric Acid (extra pure) and boron based fire retardant for local/export markets.
	c) Use of boron as a micro-nutrient fertilizer in cash crops like Soyabean, Cotton, oil seeds, sugar cane, etc.
2. Benefits derived as a result of the above	Since there is growth potential in both domestic and overseas markets, promotion of these products will be to the advantage of the Company.
3. Future Plan of Action	Developing new areas of application of value added boron products.
4. Expenditure on R & D	
(a) Capital	Rs. Nil
(b) Recurring	Rs. 1,52,707/-
(c) Total	Rs. 1,52,707/-
(d) Total R & D Expenditure as a percentage of total turnover	0.02%

Technology Absorption, Adaptation and Innovation

1. Efforts, in brief, made towards technology absorption and innovation After successful attainment of LPG as an alternative to LDO for Spray Drying Unit similar cost reducing measures are being studied.
2. Benefits derived as a result of the above efforts, e.g. product improvement cost reduction, product development, import substitution There will be cost saving with resultant reduction in the manufacturing cost.
3. In case of imported technology (imported during the last five years, reckoned from the beginning of the financial year), following information may be furnished Not Applicable
 - (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 ---
(reason and future plans of action)

III. Foreign Exchange Earning and outgo

The particulars of foreign exchange earned/utilized during the year are given on Page No.41, Item No.33 (II), (III) & (IV) under Notes to Accounts.