

GUJARAT PETROSYNTHESIS LIMITED

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ISO COMPANY

**TWENTY-EIGHTH ANNUAL REPORT
2004 - 2005**



Gujarat Petrosynthese Limited

BOARD OF DIRECTORS	Dr. R.M. THAKKAR	(Chairman and Managing Director)
	Dr. P.S. PALANDE	
	Mr. V.H. PANDYA	
	Dr. (Mrs.) M.H. MEHTA	
	Mr. ADHIK SHIRODKAR	
	Dr. A.C. SHAH	
	Mr. M.D. GARDE	(Nominee)
	Ms. URMI N. PRASAD	Executive Director
	Ms. CHARITA THAKKAR	Executive Director
	Ms. URSULA THAKKAR	Executive Director

COMPANY SECRETARY Mr. B. I. PATEL

BANKERS BANK OF BARODA

LEGAL ADVISOR KANGA & CO

AUDITORS SURESH THAKKAR & CO

REGD. OFFICE Petrochemical Complex Area
P.O. Petrochemical, Pin: 391346
District Vadodara

- WORKS**
1. Petrochemical Complex Area
P.O. Petrochemical, Pin: 391346
District Vadodara
 2. No. 24, II Main Phase I,
Doddanekkundi Industrial Area,
Mahadevpura Post, Bangalore - 560 048



Gujarat Petrosynthese Limited

NOTICE

Notice is hereby given that the Twenty-Eighth Annual General Meeting of the Members of Gujarat Petrosynthese Limited will be held at Shrusti Hall, Gokulesh Complex, 2nd Floor, Above Standard Chartered Bank, Nr. Ivory Terrace, R.C. Dutt Road, Alkapuri, Vadodara - 390 007 on Thursday the 29th September, 2005 at 2.00 P.M. to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2005 and the Profit and Loss Account for the year ended on that date together with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Ms. Ursula R. Thakkar, who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Mr. Adhik Shirodkar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of section 269, 309, 310, 311, Schedule XIII and other applicable provisions, if any of the Companies Act 1956, and subject to the approval of any other authorities as may be required, the Company hereby approves the re-appointment of Dr. R. M. Thakkar as a Managing Director for a further period of 3 years w.e.f. 11th October, 2005 upon the terms and conditions, as set out in the resolution passed by the Board of Directors of the Company at their meeting held on 28th July, 2005 and the draft Agreement to be entered into by the Company with Dr. R. M. Thakkar and submitted to this Meeting duly initialed by the Chairman for the purpose of identification, which agreement is hereby specifically sanctioned with liberty to the Board of Directors to grant increments and to alter and vary the terms and conditions of the said appointment and/or agreement, in such manner as may be agreed to between the Board of Directors and Dr. R. M. Thakkar, so as not to exceed the limits specified in schedule XIII of The Companies Act, 1956 or any amendments thereto. The remuneration aforesaid including benefits and amenities shall be paid as minimum remuneration to Dr. R. M. Thakkar, notwithstanding the absence or inadequacy of profit in any financial year of the company during the tenure of his office as Managing Director of the Company."

Registered Office:
Petrochemical Complex Area,
P.O. Petrochemical, Pin 391346,
Dist. Vadodara

By Order of the Board of Directors
For Gujarat Petrosynthese Limited

Place: Mumbai
Date: 28.07.2005

Sd/-
B. I. Patel
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT BE A MEMBER.
2. The relevant explanatory statement pursuant to section 173 (2) of the Companies Act, 1956 is annexed hereto.
3. **Members desirous of getting any information about the accounts and operation of the company are requested to send their query addressed to the Secretary at the Registered Office well in advance, so that the same may reach him at least 7 days before the date of the meeting to enable the Management to keep the information required readily available at the meeting.**
4. The documents referred to in the accompanying notice and explanatory statement are open for inspection at the Registered Office of the Company on all working days during office hours, upto the date of the Annual General Meeting.



Gujarat Petrosynthese Limited

5. (a) Pursuant to Section 205A of the Companies Act, 1956 all unclaimed dividends upto the Financial Year ended on 31st March, 1995 have been transferred to the General Revenue Account of the Central Government.
(b) Shareholders who have not encashed / claimed the Dividend from the year ended 31.3.96 onwards are requested to make their claims to the Company without delay. As per amended Section 205A of the Act and insertion of Section 205C by the Companies(Amendment) Act, 1999, the amount of dividend remaining unpaid or unclaimed for a period of 7 years from the date of its transfer to the Unpaid Dividend Account of the Company, is required to be transferred to the Investors Education and Protection Fund set up by the Government of India and no payments shall be made in respect of any such claims by the Fund.
6. The Register of Members and Share Transfer Books of the Company will remain closed from 17/09/2005 to 18/09/2005 (Both dates inclusive) for the purpose of the Annual General Meeting and to ascertain the entitlement of the members to receive the Equity Shares of Rs. 10/- each credited as fully paid of Gujarat Polybutenes Pvt. Limited in the ratio of 1 Share of Gujarat Polybutenes Pvt. Limited for 2.699 shares held in Gujarat Petrosynthese Limited as on 18/09/2005 (i.e. on pro-rata basis). In case the entitlement is for less than 50 shares, then instead of issuing shares, a payment @ Rs. 10/- per share will be made by Gujarat Polybutenes Pvt. Limited.
7. Members are requested to :
 - a) Notify immediately any change in their residential address.
 - b) Quote the Registered Folio Number in every correspondence with the Company.
 - c) Bring their copies of the Annual Reports along with the duly filled in attendance slip at the meeting.

ANNEXURE TO THE NOTICE

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

The following explanatory statement sets out all the material facts relating to the special business mentioned in the accompanying Notice.

ITEM NO .5

The appointment of Dr. R. M. Thakkar as a Managing Director is valid for a period of 3 years i.e. upto 11.10.2005. The Board of Directors of the Company at their meeting held on 28.07.2005, had subject to the approval of members, resolved to reappoint him as Managing Director for another period of 3 years on the following terms and conditions.

1. **Salary** : Rs.1,25,000/- (Rupees One Lac Twenty Five Thousand only) per month.
2. **Commission** : 1.5% commission on the net profits of the company computed in the manner laid down in Section 309 (5) of the Companies Act, 1956.
3. **Perquisites** :
 - [i.] **Housing I** : The expenditure by the company on hiring unfurnished accommodation for the Managing Director will be subject to a ceiling of fifty percent of the salary.
Housing II : If accommodation in the company owned house is provided, ten percent of the salary of the Managing Director shall be deducted by the company.
Housing III : If the company does not provide accommodation, the Managing Director shall be entitled to House rent allowance subject to the ceiling laid down in Housing I.
Explanation: The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962. This shall, however, be subject to a ceiling of ten percent of the salary of the Managing Director.
 - [ii.] The Company shall pay as per the company's policy, the Medical Expenses including such expenses as shall relate to the surgical, optical and dental treatment incurred by Dr. R. M. Thakkar for himself and his family.
 - [iii.] Leave Travel Concession for self and family once in a year incurred in accordance with the rules of the Company.
 - [iv.] Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
 - [v.] The Company shall pay the annual premium towards personal accident insurance as per the Rules of the company.
 - [vi.] Dr. R. M. Thakkar and family shall be covered under the Mediclaim Insurance Schemes as per the rules of the Company.
 - [vii.] Encashment of leave on full pay and allowances as per the rules of the company but not exceeding one month's leave for every twelve months of service.
 - [viii.] Such other benefits in accordance with the schemes and rules applicable to the members of the company from time to time.

(Family includes dependent parents, spouse and children who are dependent on him)



Gujarat Petrosynthese Limited

Dr. R. M. Thakkar shall be also entitled to the following perquisites, which shall not be included in the computation of ceiling on remuneration specified above.

- The Company's Contribution to provident fund, superannuating fund, annuity fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under Income Tax Act, 1961.
- Gratuity payable should not exceed half a month's salary for each completed year of service.
- Encashment of Leave at the end of the tenure.
- Chauffeur driven, company maintained car for use on company's business and telephone at residence. However, personal long distance calls on telephone and use of car for private purpose shall be billed by the company.

The Company will pay the tax on non-monetary perquisites to the appointee as per amended Section 10(10 CC) of The Income Tax Act, 1961. The perquisites, wherever applicable shall be valued as per the Income Tax Act, 1961.

The Managing Director shall be entitled to the reimbursement of expenses actually and properly incurred by him for the business of the Company.

This may be treated as the abstract of the terms of contract of reappointment between the Company on the one side and Dr. R. M. Thakkar on the other side, pursuant to section 302 of The Companies Act, 1956.

Dr. R. M. Thakkar is deemed to be concerned or interested in the resolution, which pertains to the remuneration payable to him. Further Ms. Charita Thakkar, Ms Urmi N. Prasad, Ms. Ursula R. Thakkar and Dr.(Mrs.) M. H. Mehta are deemed to be concerned or interested in the resolution in so far as Dr. R. M. Thakkar is related to each of them. None of the other Directors of the company are in any way concerned or interested in the resolution.

The Board recommends the resolution for your approval.

Registered Office:

Petrochemical Complex Area,
P.O. Petrochemical, Pin 391346,
Dist. Vadodara

By Order of the Board of Directors
For Gujarat Petrosynthese Limited

Place: Mumbai
Date: 28.07.2005

Sd/-
B. I. Patel
Company Secretary

Statement in terms of Schedule XIII of The Companies Act, 1956 as amended vide Notification No.GSR 36(E), Dated 16.1.2002 relating to remuneration payable to Managing Director.

I. General Information:

- Nature of Industry – Polymer
- Date or expected date of commencement of commercial production – The Company is in operation since the year 1984.
- Financial performance based on given indicators – as per the audited financial results for the year ended on 31.3.2005.

Particulars	Amount (Rs.in Lac)
Sales	1077
Other Income	24
Total Income	1101
Material Cost	236
Staff Cost	186
Manufacturing & Other Expenses	614
Total Expenditure	1036
Profit Before Depreciation, Interest and Tax	79
Depreciation	41
Profit before Interest and Tax	38
Interest	8
Profit Before Tax	30
Exceptional Items if any	-
Profit Before Tax	30
Net Profit after Tax	21

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4. Export Performance and net foreign exchange earned for the year ended on 31.3.2005 – Nil
5. Foreign Investments or collaborators if any – Nil

II. Information about the appointee:

1. Background Details- Dr. Thakkar is one of the founder Promoter of the Company. He has been the Managing Director of the Company since inception. He obtained his doctorate in chemistry from the University of Zurich, Switzerland. He was awarded the Associateship of Royal Institute of Chemistry in London and Post Doctorate Fellowship of the French National Research Council. He was also the founder Chairman of the Society of Plastics Engineers, Indian chapter and has published several research papers in recognized international chemical journals.
2. Past Remuneration – Rs.15,00,000 Salary, Rs. 2,00,229 Perquisites, Rs. 1,41,000 Commission and Total Rs. 23,74,261 paid as remuneration during the year ending on 31.3.2005.
3. Job profile and suitability – Dr. R. M. Thakkar renders services as a Chairman and Managing Director of the Company.
4. Remuneration Proposed – Salary Rs.1,25,000 /- per month, 1.5% commission on net profit and perquisites more particularly described in the explanatory statement herein before.
5. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person - Looking to the size of the company, the profile of the appointee, the responsibilities shouldered by him, the aforesaid remuneration is commensurate with the remuneration package paid to similar senior level appointees in other companies.
6. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any – Besides the remuneration proposed, the Managing Director does not have any other pecuniary relationship with the company.

III. Other Information:

1. Reasons for loss or inadequacy of profit – The Company is making profits.
2. Steps taken or proposed to be taken for improvement – Not Applicable.
3. Expected increase in productivity and profits in measurable terms -

Particulars	This Year(Rs. Lac)	Previous Year(Rs. Lac)
Sales	1077	1408
Other Income	24	40
Net Profit	30	160

Details of Directors seeking appointment/reappointment in the forthcoming Annual General Meeting (in pursuance of Clause 49(VI)(A) of the Listing Agreement.

Name of Director	Ms. Ursula R. Thakkar	Mr. Adhik Shirodkar	Dr. R. M. Thakkar
Date of Birth	24.09.1967	15.07.1931	30.09.1924
Date of Appointment	27.09.1996	28.11.1992	14.09.1977
Expertise in specific functional areas	Ms. Ursula Thakkar joined the company in the year 1996 as an Executive Director. During 1994-96 worked as consultant with William Kent Intl. USA. Washington.	Mr. Adhik Shirodkar is a Senior Advocate	Dr. R. M. Thakkar is Managing Director of the Company since inception.
Qualifications	BE(Honors) MBA (Harward)	B. A. (Honors), L.L.B	D. Phil(Zurich)
Directorship held in other companies (excluding foreign companies)	Gujarat Polybutenes Private Limited.	Videsh Sanchar Nigam Limited	Gujarat Polybutenes Private Limited. GPL Finance and Investments Limited.
Committee Positions held in other Companies	Nil	Nil	Nil



Gujarat Petrosynthese Limited

DIRECTORS' REPORT

The Directors have pleasure in placing before you the Twenty -Eighth Annual Report of the Company, together with the Audited Statement of Accounts for the year ended 31st March 2005.

FINANCIAL RESULTS

Particulars	2004-05	Rs. in Lacs 2003-04
Sales Turnover	1076.54	1407.94
Operating Profit	79.41	292.01
Less : Interest	(7.66)	(13.15)
Depreciation	(41.33)	(37.67)
Profit before tax	30.42	241.19
Less : Provision for Tax	5.00	(78.00)
Provision for Deferred Tax	4.53	(3.25)
Profit after Tax	20.89	159.94
Prior period adjustments / Income Tax for Earlier Years	78.25	(17.13)
Add : Balance in Profit & Loss Account	172.48	29.67
Balance available for Appropriation	<u>271.62</u>	<u>172.48</u>
APPROPRIATIONS		
Provision for Dividend	—	—
Provision for Dividend Tax	—	—
Transfer to General Reserve	—	—
Balance carried to Balance Sheet	<u>271.62</u>	<u>172.48</u>
	<u>271.62</u>	<u>172.48</u>

DIVIDEND:

Your Directors do not recommend any dividend, keeping in mind the need to conserve the financial resources of your Company, as the agreement with IPCL expired on 31st May 2005, and the Company is trying to make its own arrangement for the manufacture of Polybutenes.

INDUSTRIAL SCENARIO:

Your Company has been doing job work for IPCL since the last 7 years. This agreement was entered into with IPCL before the change of its Management and continued till May 31, 2005. The months of June and July are the transition period where we will settle all the matters regarding the conversion agreement and will revert to the manufacture and marketing of polybutene on our own. The plant remained closed and there was no income during the period which has put pressure on the profit of the polybutene unit for the year 2005-2006. As you will recollect, the profit margin has been going down during the last two years and we were unable to declare a dividend last year. Agreements are being entered into with IPCL for the supply of feed stock and with some important buyers and we expect the polybutene unit to become profitable once again.

SEGMENTWISE PERFORMANCE

Polybutene:

During the year the Company produced 5508 M. T. (75 % capacity utilisation.). The turnover of this unit was 6.52 Crores and the net loss was Rs.28.87 Lacs as against a net profit of Rs.219.25 Lacs last year.

Alloys & Blends:

For the year under review, the sales turnover of this unit was Rs.4.25 Crores and the net profit has more than doubled from Rs.21.94 Lacs last year to Rs.59.30 lacs this year. In the current year the company expects better results from this unit.

DEMERGER:

As reported in the annual report, last year the Company has hived off the polybutene division and transferred the assets and liabilities of this division to its wholly owned subsidiary company - Gujarat Polybutenes Pvt. Ltd. This Subsidiary company will be converted into a Public Ltd. Company and we propose to issue shares to all the existing shareholders of GPL in proportion to their holdings after obtaining the requisite approvals.

OPPORTUNITIES AND STRENGTHS:

The polybutene market has undergone a change, with import duty being constantly reduced. It presently stands at 15%, and imports are being freely allowed. Further the price of the main feed stock is fluctuating from time to time in a relationship with crude oil prices. Thus there is a considerable pressure on the profit margin. However, since there is

Gujarat Petrosynthese Limited

shortage of production over demand, we expect the plant to run with full capacity. IPCL and GPL mutually decided to end the conversion contract as of 31st May, 2005. We shall be reverting to production and marketing on our own. In view of our contacts with the customers from the inception of the plant in 1984, we expect to improve upon the results of the last year.

Buy Back of Shares :

The company had proposed to buy back equity shares up to 25% of equity capital to maximise the returns to investors. After the announcement the price went up steadily from an average of Rs.9/- to Rs.18/-. However, SEBI did not grant the approval as per their guidelines. We understand that the guidelines are under review and we will revert on this after the revised guidelines are announced. We are following up with SEBI to get the approval and will come back to you after the approval is received.

OUTLOOK :

Your Company proposes to demerge the Alloys & Blends division. This demerger hopefully will take place during the next year, and it is expected that the demerged unit will operate effective from April 1, 2006.

OTHER ACTIVITIES :

In accordance with section 212 of the Companies Act, 1956, the audited Annual Accounts along with Directors Report and Auditors Report of the subsidiary Company viz. GPL Finance and Investments Limited for the year ended 31st March, 2005, are appended to this report.

DIRECTORS :

The Board deeply regrets the passing away of Dr. S. P. Adarkar, Director on 7/3/05. Dr. Adarkar had been associated with our company over the last ten years both as a Director on the board of erstwhile KPL and then as a director of GPL. As a member of the Board and Chairman of the Audit Committee, Shri Adarkar lent his vast knowledge and experience to the company and his presence will be missed.

At this Annual General Meeting Ms. Ursula R. Thakkar and Mr. Adhik Shirodkar retire by rotation as per the provision of the Companies Act, 1956 and the Articles of Association of the Company, and being eligible offer themselves for re-appointment.

HUMAN RESOURCE MANAGEMENT :

The Company considers Human Resources as an invaluable asset. Your directors wish to place on record their appreciation to the employees at all levels for their hard work, dedication and commitment. The full-fledged efforts of the employees have enabled your Company to remain at the forefront of the industry despite the increased competition from the existing producers.

HEALTH, SAFETY & ENVIRONMENT

Occupational safety and environment continue to be an important area for your Company and receive proper attention throughout the year. Necessary steps are regularly undertaken to ensure the Safety of personnel and equipment. The acceptable standard of safety performance for your Company was "zero accidents" and you will be pleased to note that we achieved the said target during 2004-05. The health of the employees is an integral part of Company's policy. Periodic medical check up and preventive services are undertaken throughout the year. The Company affords a high priority to health education and awareness.

INTERNAL CONTROL SYSTEM

Your Company has adopted an internal control system, commensurate with its size. The Company's internal control system is supplemented by the external auditors and a high-powered audit committee. Your Company ensures its implementation and compliance so that the assets and business interests of your Company are adequately safeguarded.

FIXED DEPOSIT

During the year the Company has not accepted or renewed Fixed Deposits. All deposits accepted in the earlier years have already been repaid and no deposit is outstanding.

OTHER INFORMATION

The information in respect of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as required under Section 217(2)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board Of Directors) Rules, 1998 is given in Annexure I forming part of this report.

PARTICULARS OF EMPLOYEES

As required by provision of Section 217(2A) of the Companies Act, 1956 read with (Companies Particulars of Employees) Rules 1975, as amended, the names and other particulars are not given in view of the fact that no employee is drawing a salary exceeding the limit specified in the rules.

CORPORATE GOVERNANCE

As required by clause 49 of the Listing Agreement, a Report on the Corporate Governance is appended.

Gujarat Petrosynthese Limited**CAUTIONARY STATEMENT**

Statements in the management discussion and analysis describing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include economic conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors hereby states as under:

- a) That in the preparation of the Annual Accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures.
- b) That the Board has selected such accounting policies and applied them consistently and made judgements and estimates which are 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 that period.
- c) That the Board has taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) That the Board has prepared the annual accounts on a going concern basis.

AUDITORS

M/s Suresh Thakkar & Co., Chartered Accountants, has resigned as Auditors of the Company effective from the ensuing Annual General Meeting of the Company.

The Board recommends the appointment of the existing branch auditors, M/s. S. Anantha Rao & Co., Chartered countants, as Auditors of the Company in the ensuing Annual General Meeting. Members are requested to appoint Auditors for the current year and authorise the Board to fix their remuneration.

INDUSTRIAL RELATIONS

Relations between the employees at all levels and the management continue to remain cordial. The Directors place on record their appreciation of the efficient, loyal and devoted services rendered by the employees of the Company at all levels.

ACKNOWLEDGEMENT

Your Directors deeply appreciate the support of IPCL, our Bankers, vendors and buyers to the Company's performance.

For and on behalf of the Board of Directors

Place : Mumbai

Date : July 28, 2005

DR. R. M. THAKKAR
CHAIRMAN & MANAGING DIRECTOR



Gujarat Petrosynthese Limited

ANNEXURE I TO THE DIRECTORS' REPORT

Information under Section 217(1)(e) read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of Directors' Report for, the year 2004-2005.

- | | | |
|---|---|-------------------------------------|
| I. Conservation of Energy | : | Use of standard quality equipments. |
| II. Additional Investments and Proposals if any being implemented for the reduction of energy. | : | Proposals are under consideration. |
| III. Impact of measures (a) and (b) above for the reduction of energy consumption and consequent impact on cost of production of goods. | : | Reduction in usage of electricity. |

FORM A

A. POWER AND FUEL CONSUMPTION

1. Electricity			Polybutene		Alloys & Blends	
			2004-05	2003-04	2004-05	2003-04
a) Purchased						
Units	KWH		34,53,869	29,31,844	4,29,360	3,62,534
Total Amount	Rs.		1,66,13,108	1,50,45,591	20,94,628	17,83,980
Rate/Units	Rs.		4.81	5.13	4.88	4.92
b) Own Generation through Diesel Generator						
Units	KWH		44,628	28,476	33,753	16,590
Units per Litre	KWH		2.703	2.650	4.56	4.73
Rate/Units	Rs.		11.00	8.79	6.09	5.17

2. Furnace Oil			Polybutene		Alloys & Blends	
			2004-05	2003-04	2004-05	2003-04
Quantity	KL		2340	2097	-	-
Total Amount	Rs.		3,78,11,911	2,28,05,765	-	-
Average Rate	Rs.		16,160	10,875.42	-	-

B. CONSUMPTION PER UNIT OF PRODUCTION

Electricity	KWH	635.145	440.599	518.92	558.544
Furnace Oil	KL	0.425	0.383	-	-

II. TECHNOLOGY ABSORPTION

Efforts made in technology absorptions as per FORM B Research and Development (R & D)

- | | |
|---|---|
| 1. Specific area in which R & D was carried out by the Company. | To produce high clarity Polybutenes and to utilise By-products to produce Value-Added Products. |
| 2. Benefit derived as a result of R & D | Manufacture new products and existing products at lower costs. |
| 3. Future plan of Action | Manufacture of chemically pure and FDA Grade of Polybutene. |
| 4. Expenditure on R & D | Rs. |
| a) Capital | 40,72,852 |
| b) Recurring | 7,66,819 |
| c) Total | 48,39,671 |
| d) Total R & D Expenditure as a percentage of Total Turnover | 4.50% |