

GUJARAT PETROSYNTHESIS LIMITED

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ISO COMPANY

TWENTY-NINTH ANNUAL REPORT 2005 - 2006

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

UTI BANK LTD.

LEGAL ADVISOR

KANGA & CO

AUDITORS

S. ANANTHA RAO & CO

REGD. OFFICE

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

WORKS

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-Ninth Annual General Meeting of the Members of Gujarat Petrosynthese Limited will be held at The Auditorium Hall, Central Gujarat Chamber of Commerce, Vanijya Bhavan, Race Course, Vadodara – 390 007 on Wednesday the 27th day of September, 2006 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, 2006 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 Dr. P. S. Palande, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Dr. A. C. Shah, 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 81(1A) and all other applicable provisions, if any, of The Companies Act, 1956 (including any statutory modification, (or re-enactment(s) thereof for the time being in force) and in accordance with the guidelines, rules and regulations of the Securities and Exchange Board of India ("SEBI"), [including the SEBI(Substantial Acquisition of Shares and Takeovers)Regulations, 1997], and subject to the provisions of the Foreign Exchange Management Act, 1999 (FEMA) (including any amendment thereof or re-enactment thereof), The Reserve Bank of India and the Government of India (including any statutory amendment(s), or re-enactment(s) thereof, for the time being in force) and enabling provisions in the Memorandum and Articles of Association of the Company and subject to such terms, conditions and modifications as may be considered appropriate and approved by the Board and or its Committee and subject also to such approvals, consents, permissions or sanctions (including any conditions thereof, or modifications to the terms contained therein), if any required of the appropriate authorities, including those of the Ministry of Commerce, Ministry of Finance, Ministry of Industry, Secretariat for Industrial Assistance, Corporate Debt Restructuring (CDR) Cell, Financial Institutions, Banks as may be required and such terms and conditions, if any as may be prescribed while granting such consents, approvals, permissions and sanctions which may be agreed to by the Board and/ or its Committee, the Board and or its Committee be and is hereby authorised to offer, issue, and allot the following Equity Shares for cash on a preferential basis in one or more tranches and on such terms and conditions as may be deemed appropriate by the Board or Committee thereof.

- a. upto 2,90,000 (Two Lacs Ninety Thousand) fully paid-up Equity Shares of the Company of a face value of Rs. 10/- per share at a subscription price of Rs.26/- (Rupees Twenty Six) per equity share (inclusive of premium of Rs.16/- per share) [calculated as per the prescribed guidelines issued by SEBI for Preferential Allotment] aggregating to Rs.75,40,000/- (Rupees Seventy Five Lacs Forty Thousand only) to M/s. Multichem Private Limited, a private limited company having their Registered Office at 11A, Pitru Chhaya, Avantikabai Gokhale Cross Lane, Mumbai - 400 004 etc., for cash on preferential allotment basis in one or more tranches and on such terms and conditions as may be deemed appropriate by the Board.
- b. AND RESOLVED FURTHER THAT all the Equity Shares proposed to be issued and allotted as above, shall rank pari-passu in all respects with the then existing Equity Shares of the Company, (including as to dividends), from the date of allotment.
- c. AND RESOLVED FURTHER THAT the Relevant Date for the purpose of calculating the issue price of the above mentioned Equity Shares under the SEBI (Disclosure and Investor Protection) Guidelines, 2000 relating to preferential issues shall be 28th August, 2006 being the last trading date at the Stock Exchange, Mumbai being the date, 30 days prior to the date of this Annual General Meeting.



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- d. AND RESOLVED FURTHER THAT the Board and/ or its Committee be and is hereby authorised to decide and approve the other terms and conditions of the issue of the above mentioned Equity Shares and to vary, modify or alter any of the terms and conditions, including the size of the issue, as it may deem expedient.
- e. AND RESOLVED FURTHER THAT the offer, issue and allotment of the aforesaid Equity Shares shall be made at such time or times as the Board and/ or its Committee may in its absolute discretion decide.
- f. AND RESOLVED FURTHER THAT the 2,90,000 Equity Shares to be issued to M/s. Multichem Private Limited will bear a lock-in period of three years.
- g. AND RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board and /or its Committee, be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer, issue, allotment, and utilisation of the proceeds of the issue of the abovementioned Equity Shares and further to do all such acts, deeds, matters and things to finalise and execute all documents and writings as it may deem fit.
- h. AND RESOLVED FURTHER THAT the Board be and is hereby authorised to enter into and execute all such contracts/ arrangements with any Lead Manager, Managers, Co-Managers, Trustees, Registrar and all such agencies, as may be involved or concerned in such offerings of securities and to remunerate all such agencies by way of commission, brokerage, fees, or the like and also to seek listing of such securities in one or more Stock Exchanges in India.
- i. AND RESOLVED FURTHER THAT the Board and /or its Committee be and is hereby authorised to accept such terms and conditions as the Government of India, FEMA, SEBI, RBI, Financial Institution, Banks, CDR Cell, etc., and/or Stock Exchanges may stipulate in that behalf.
- j. AND RESOLVED FURTHER THAT the Board and or its Committee be and is hereby authorised to delegate all or any of the powers conferred on it by or under these Resolutions to any Director or Directors or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution.

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

By Order of the Board of Directors
For **Gujarat Petrosynthese Limited**

B. I. Patel

Company Secretary

Place : Pune

Date : 31.07.2006

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 Company 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.
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.



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6. 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.
7. The Register of Members and share transfer books of the Company will remain closed from 26.9.2006 to 27.9.2006 (both days inclusive) for the purpose of the Annual General 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 Company needs resources for the working capital requirement and for meeting normal capital expenditure. For this purpose, the Company is considering the issue and allotment of upto 2,90,000 (two lacs ninety thousand) fully paid-up Equity Shares of the Company of a face value of Rs.10/- per share at a subscription price of not less than Rs.26 per equity share (inclusive of premium of Rs.16 per share) [calculated as per the prescribed guidelines issued by SEBI for Preferential Allotment] aggregating to Rs.75,40,000 (Rupees Seventy Five Lacs forty Thousand only) to M/s Multichem Private Limited for cash on preferential allotment basis in one or more tranches and on such terms and conditions as may be deemed appropriate by the Board.

As on date, M/s Multichem Private Limited has only given a letter of intent to the Company. The acquisition, if any, by M/s Multichem Private Limited is subject to, amongst other things, the finalisation and execution of requisite documentation on mutually agreed terms and the fulfilment of conditions precedent mentioned therein and subject to the necessary approvals as may be necessary.

The "relevant date" for the purpose of calculating the price of the Equity Shares being allotted pursuant to this resolution is 28.08.2006 being the date 30 days prior to the date of this Annual General Meeting.

The proposed preferential allotment shall not result in any change in the Management / Control. It is proposed that the existing promoters will remain in Management and Control.

Pursuant to the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 ("the SEBI DIP Guidelines) the Equity Shares proposed to be issued to M/s Multichem Private Limited will be locked-in for a period of 3 years from the date of allotment of the Equity Shares.

Disclosures pursuant to the SEBI DIP Guidelines.

The following disclosures are made pursuant to the provisions of the SEBI DIP Guidelines:

- (i) **Object of the issue through preferential offer:-** The Company needs resources for the working capital requirement and for meeting normal capital expenditure.
- (ii) **Intention of Promoters, Directors and Key Mahagerial Personnel to subscribe to the Issue:-** M/s Multichem Private Limited, forms part of Promoters/Persons Acting in Concert with Promoters. None of the other Directors/Promoters/Persons Acting in Concert with them intend to subscribe to the issue.
- (iii) The consequential change in Shareholding pattern will be as follows:

Particulars	Existing Shareholding No. of Shares	%	Post Preferential allotment No. of Shares	%
Promoters	2034636	33.81	2324636	36.84
Financial Institutions	1202076	19.97	1202076	19.05
Private Corporate Bodies	227552	3.78	517552	8.20
NRIs/OCBs	1009154	16.77	1009154	16.00
Public & Others	3984165	66.19	3984165	63.15
* M/s Multichem Private Limited	15200	0.25	305200	4.84

* included in Promoters and Private Corporate Bodies category



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- (iv) Proposed time within which the allotment will be completed:- The allotment of the Equity Shares are expected to be completed within 45 days of the date of passing of the above resolution. Provided that where the allotment is pending on account of pendency of any approval for such allotment by any Regulatory Authority or the Central Government, the allotment is expected to be completed within 45 days from the date of such approval.
- (v) The identities of the proposed allottee and the percentage of the post preferential issue capital that may be held by them:

Name of the Proposed Allottee	Post Preferential Allotment	
	No. of Shares	%
M/s Multichem Private Limited	305200	4.84

- (vi) Auditors Certificate:- M/s S. Anantha Rao & Co., Chartered Accountants, Bangalore, the Statutory Auditors of the Company, have certified that the preferential issue is being made in accordance with the requirements contained in SEBI DIP Guidelines 2000. A copy of the Certificate will be laid before the Annual General Meeting.

In terms of provisions of the Companies Act, 1956, consent of the members is required for issue of equity shares to persons other than the existing members. Hence consent is sought under Section 81(1A) of The Companies Act, 1956, for the offer, issue and allotment of the said shares as detailed in the resolution. The Board may be authorised to issue the equity shares, in accordance

with the terms of offer, as detailed in the resolutions and to take all necessary actions without any limitation for implementing the resolutions and for listing of the above mentioned equity shares.

The Board of Directors recommends the resolutions for the approval of the members.

Inspection:- A copy of the certificate issued by M/s S. Anantha Rao & Co., Chartered Accountants, Bangalore, the Statutory Auditors of the Company, is available.

Registered Office:

Petrochemical Complex Area,

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

By Order of the Board of Directors
For Gujarat Petrosynthese Limited

Place : Pune

Date : 31.07.2006

B. I. Patel
Company Secretary

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	Dr. P.S. Palande	Dr. A. C. Shah
Date of Birth	05.07.1937	16.10.1932
Date of Appointment	16.04.1983	02.12.2002
Expertise in specific functional areas	Administration	Finance. Ex-Chairman and Managing Director of Bank of Baroda
Qualifications	M.A., Ph.D. IAS(Retd.)	M.A., Ph. D(Economics)
Directorship held in other companies (excluding foreign companies)	1. Electronica Machine Tools Ltd. 2. DSK Developers Ltd. 3. Bajaj Allianz Life Ins. Co. Ltd. 4. The Brihan Maharashtra Sugar Syndicate Ltd.	1. S. Kumars Nationwide Ltd. 2. Elecon Engineering Ltd. 3. Adani Exports Ltd. 4. Standard Chartered Mutual Fund Asset Management Co 5. KOPRAN 6. Benchmark Mutual Fund Trustee Co. Ltd 7. Graphiti Multimedia Pvt. Ltd.
Committee Positions held in other Companies	Member of Audit Committee in DSK Developers Ltd. Member of Investors Grievance Committee in Bajaj Allianz Life Insurance Co. Ltd.	Member of Audit Committee of : 1. S. Kumars Nationwide Ltd. 2. Elecon Engineering Ltd. 3. Adani Exports Ltd. 4. KOPRAN



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DIRECTORS' REPORT

The Directors have pleasure in placing before you the Twenty-Ninth Annual Report of the Company, together with the Audited Statement of Accounts for the year ended 31st March 2006.

FINANCIAL RESULTS

(Rupees in Lacs)

Particulars	2005-06	2004-05
Sales Turnover	816.10	1076.54
Operating Profit	199.33	79.49
Less : Interest	(1.04)	(7.66)
Depreciation	(30.18)	(41.33)
Profit before tax	168.11	30.51
Less : Provision for Tax	20.00	5.00
Provision for Deferred Tax	-	4.53
Fringe Benefit tax paid	2.97	-
Profit after Tax	145.14	20.98
Prior period adjustments / Income Tax for Earlier Years	29.83	78.16
Add : Balance in Profit & Loss Account	271.62	172.49
Balance available for Appropriation	446.59	271.63
APPROPRIATIONS		
Provision for Dividend	-	-
Provision for Dividend Tax	-	-
Transfer to General Reserve	-	-
Balance carried to Balance Sheet	446.59	271.63
	446.59	271.63

As reported in the annual report, w.e.f April 1 2005, the Company transferred the assets and liabilities of the Polybutene division to its wholly owned subsidiary company - Gujarat Polybutenes Pvt. Ltd. (GPPL). Hence the current year results are not comparable with that of last year

DIVIDEND:

As part of prudent financial measures and keeping in mind the need to both conserve financial resources and to invest in capital equipment for the growth of our Bangalore unit, your directors do not recommend any dividend.

INDUSTRIAL SCENARIO:

As discussed elsewhere, the industrial scenario is positive and the Company will maintain or improve its margins.

PERFORMANCE

For the year under review, the net sales turnover of the Polymer blends and alloys unit which was Rs.4.27 Crores moved up to 7.1 crores this year. As this business grows, we inevitably face increasing competition which would explain the per unit reduction in profit despite strong sales growth. We will seek to continue our growth by capturing more large-volume business thus capitalizing on the opportunity created by the strong growth in the Indian economy. We would thus need additional capital to increase production capacity which will be funded through our resources.

The profit this year, by & large, has come from the sale of securities held by us. This has enabled us to do away with borrowed working capital. We are happy to advise you that the policy of conservation of funds and its correct use at the right time enabled your Company to safely come through a most difficult period that we had forecasted in our earlier reports.

Working of our subsidiary - GPPL

This year GPPL faced challenges of a Herculean nature. The termination of the eight-year agreement with IPCL in June 2005 was achieved smoothly. However, as is to be expected when such a long term business comes to a close, some time was taken to settle the accounts. We started independent operations in August 2005. Unfortunately, this coincided with a very sudden streak of worldwide shortage of LPG, our primary feed stock. The price of LPG rose by almost 100% from previous levels in a short span of 3-4 months. Our supplier IPCL moved from the annual fixed price policy to one of import parity, floating on the basis of a benchmark. Our customers who were used to fixed prices over a long period had difficulties accepting this new era of fluctuating prices. However, The Board is pleased to inform you that despite all these hurdles, your Company managed to both re-enter the market and obtain orders and GPPL ended the year with a modest net profit after tax of Rs 30.59 lakhs. We take this opportunity to thank the



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customers who stood by us in these difficult moments and we strive hard to develop a business model that will create a win-win situation in the marketplace for our clients and us.

Another challenge faced by GPPL at the beginning of this financial year was the introduction of VAT. However, we are happy to state that the Government of Gujarat included LPG for use in the manufacture of PIB, MEK and Propylene in the list of raw material input category that reduced the tax from 12.5% to 4%.

OPPORTUNITIES AND STRENGTHS:

Your Company is looking at a substantial expansion in the Bangalore unit which makes high quality polymer blends and alloys. The spurt in the Indian automotive industry as well as consumer goods industry means the demand for high quality, bespoke plastics has increased and as a result, there is an opportunity here which your Company is set to build on. Globalisation has made the quality aspect a very important factor which allows quality conscious companies like yours to stake its rightful claim to new business opportunities. The Bangalore unit possesses both sophisticated equipment and trained personnel to capitalize on growth opportunity and we will be working hard towards this goal.

GPPL

The strength of the Company is its low cost operations, recognized brand name, quality and focus on creating new customer value propositions.

OUTLOOK :

We look forward to a steady growth and improvement in the operations of the Company

DIRECTORS :

At this Annual General Meeting, Dr A.C. Shah and Dr P.S.Palande retire by rotation as per the provisions 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 place on record their appreciation of the hard work, dedication and commitment of employees of the Company at all levels. 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.

INTERNAL CONTROL SYSTEM

Your Company has adopted an internal control system, commensurate with its size. The external auditors and a high-powered audit committee supplement the Company's internal control system. 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 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 the 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 of employees are given in the Annexure II to the Directors Report.

CORPORATE GOVERNANCE

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

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.



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DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors hereby states as under:

- That in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- 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.
- 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.
- That the Board has prepared the annual accounts on a going concern basis.

AUDITORS

M/s S. Anantha Rao & Co, Chartered Accountants, retire as Auditors of the Company and being eligible, offer themselves for re-appointment. Members are requested to appoint the Auditors for the current year and authorise the Board to fix the remuneration.

INDUSTRIAL RELATIONS

Relations between the employees at all levels and the management continue to remain cordial.

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 : June 30, 2006

DR. R. M. THAKKAR
CHAIRMAN & MANAGING DIRECTOR

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 2005-06.

I. Conservation of Energy	: Use of standard quality equipments.
II. Additional Investment 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		2005-2006	2004-2005
a) Purchased			
Unit	KWH	4,82,716	4,29,360
Total amount	Rs.	23,15,376	20,94,628
Rate/Unit	Rs.	4.8	4.9
b) Own Generator through Diesel Generator			
Units	KWH	39,300	33,753
Unit Per Ltr	KWH	4.28	4.56
Rate/Unit	Rs.	8.24	6.09
Furnace Oil			
Quantity	KL	NIL	NIL
Other/Internal Generator	Rs.	NIL	NIL
Average Rate	Rs.	NIL	NIL



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B. CONSUMPTION PER UNIT OF PRODUCTION

Standards (If any)		2005-2006	2004-2005
Product/Unit: Polymer/Kg			
Electricity	KWH	0.46	0.41
Furnace Oil	N.A	Nil	Nil
Coal/N.A	Nil	Nil	
Others	N.A	Nil	Nil

II. TECHNOLOGY ABSORPTION

Efforts made in technology absorption 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 grade of polymers
2	Benefit derived as a result of R & D	Manufacture of new products and existing products at lower cost.
3	Future plan of action	Manufacture variety of PAB
4	Expenditure on R & D	Rs.
	a) Capital	-
	b) Recurring	1,82,367
	c) Total	1,82,367
	d) Total R & D Expenditure as a percentage of Total Turnover	0.22%

Technology absorption, adoption and innovation.

1	Efforts in brief, made towards technology absorption and innovation.	Technology obtained from our collaborators has been fully absorbed. Improvements are being continuously made and have resulted in improved efficiency of operation.
2	Benefits derived as a result of above efforts	N.A.
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 Furnished b) Year of Import c) Has technology been fully absorbed d) If not fully absorbed, areas where this has not taken place, reason therefore, any further plans of action.	N.A.

III. FOREIGN EXCHANGE EARNING AND OUTGO

During the year, the foreign Exchange outgo was Rs. 2,79,708/-. The Company has earned Foreign Exchange of Rs. Nil During the year.

ANNEXURE – II TO THE DIRECTORS' REPORT

Employees who were employed through out the year.

Name	Designation	Qualification	Total Working Experience	Date of commencement of employment	Remuneration Rs.	Age Yrs.	Previous Employment held
Dr. R.M. Thakkar	Chairman and Managing Director	D.Phil (Zurich)	54	13.10.82	27,71,854	81	Union Carbide India Ltd.