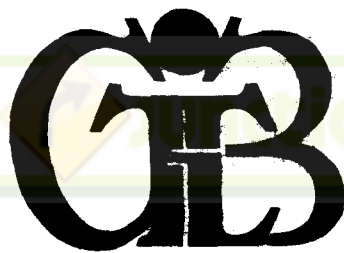


**24<sup>th</sup>**  
**Annual Report**  
**2004 - 2005**



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**GUJARAT THEMIS BIOSYN LIMITED**

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## **GUJARAT THEMIS BIOSYN LIMITED**

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### **BOARD OF DIRECTORS**

MR. D. RAJAGOPALAN  
MR. ANANT THAKORE  
DR. DINESH PATEL  
MR. PANKAJ R. PATEL  
MR. SURENDRA SOMANI  
MR. N. I. GANDHI  
MR. C. S. PARK  
MR. J. K. CHA  
MR. C. B. PARK  
MR. J. H. CHOI  
MR. RAJNEESH ANAND

**CHAIRMAN** (*Nominee of GLIC*)

**MANAGING DIRECTOR**

### **AUDITORS**

MESSRS. KHADELWAL JAIN & CO.,  
CHARTERED ACCOUNTANTS, MUMBAI

### **COST AUDITORS**

MESSRS. B.J.D. NANABHOY & CO.,  
COST ACCOUNTANTS, MUMBAI

### **BANKERS**

UNION BANK OF INDIA

### **REGISTERED OFFICE AND WORKS**

69/C, GIDC INDUSTRIAL ESTATE,  
VAPI – 396 195, DIST. VALSAD  
GUJARAT, INDIA

### **CORPORATE OFFICE**

3<sup>RD</sup> FLOOR, ARVIND CHAMBERS  
SAI SERVICE COMPOUND  
WESTERN EXPRESS HIGHWAY  
ANDHERI (EAST)  
MUMBAI – 400 069

## ANNUAL REPORT 2004-2005

**NOTICE TO THE MEMBERS**

NOTICE is hereby given that the 24<sup>th</sup> Annual General Meeting of Gujarat Themis Biosyn Limited will be held on Friday the 23<sup>rd</sup> September, 2005, at 11 a. m., at 69/C, GIDC Industrial Estate, Vapi-396 195, Dist. Valsad, Gujarat, to transact the following business : –

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2005 and Profit and Loss Account for the year ended on that date together with reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Anant Thakore, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. C. S. Park, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. J. H. Choi, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

**SPECIAL BUSINESS**

6. To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**

**"RESOLVED THAT** pursuant to Articles of Association of the Company and Section 198, 269, 309, Schedule XIII and other applicable provisions of the Companies Act, 1956, if any, Mr. Rajneesh Anand be and is hereby Re-appointed as Managing Director of the Company for a further period of 3 (Three) years with effect from 1<sup>st</sup> February, 2005 on the terms and conditions as set out in the draft agreement submitted to this meeting and for identification initialed by Mr. Pankaj R. Patel (the director authorised by the Board for purpose) which Agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or Agreement in such manner as may be agreed between the Board of Directors and Mr. Rajneesh Anand;

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year, the Company do pay to Mr. Rajneesh Anand up to such amount as remuneration as permissible under Section II of Part II to Schedule XIII to the Companies Act, 1956 as minimum Remuneration;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, matters and things as may be considered necessary or desirable to give effect to this resolution."

7. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an **Ordinary Resolution**

**"RESOLVED THAT** Mr. N. I. Gandhi, who has been appointed as an Additional Director with effect from 18<sup>th</sup> July, 2005 by the Board of Directors of the Company and who holds the office up to the date of forthcoming Annual General Meeting of the Company, pursuant to provisions of Section 260 of the Companies Act, 1956 ("the Act") but who is eligible for appointment and in respect of whom the Company has received a notice in writing under section 257 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as the Director of the Company."

**Registered Office**

69/C, GIDC Industrial Estate,  
Vapi- 396 195  
Dist. Valsad,  
Gujarat.

By order of the Board

**RAJNEESH ANAND**  
Managing Director

Mumbai, 18<sup>th</sup> July, 2005

## GUJARAT THEMIS BIOSYN LIMITED

### NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ONLY ON POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. AN INSTRUMENT APPOINTING A PROXY OR ANY OTHER DOCUMENT NECESSARY TO SHOW THE VALIDITY OR OTHERWISE RELATING TO THE APPOINTMENT OF A PROXY IN ORDER THAT THE APPOINTMENT MAY BE EFFECTIVE AT THE MEETING MUST BE FILED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LATER THAN FORTY EIGHT HOURS BEFORE THE MEETING.

Members / Proxies should bring the enclosed attendance slip duly filled in, for attending the meeting.

2. The Register of Members and the Share Transfer Books of the Company will remain closed from 20<sup>th</sup> September, 2005 to 22<sup>nd</sup> September, 2005 (both days inclusive).
3. Members are requested to bring their copies of the Annual Report to the meeting since it will not be possible for the Company to distribute additional copies of the Annual Report at the Annual General Meeting.
4. Members are requested to –
  - a) intimate to the Company's Registrar and share transfer agent, changes, if any, in their respective address along with Pin Code Number at an early date;
  - b) quote folio number in all their correspondence;
  - c) consolidate holdings into one folio in case of multiplicity of folios with names in identical order;
  - d) intimate their queries / requirements for clarifications on the annual report so as to reach the company on or before 20<sup>th</sup> September, 2005 which will enable the company to furnish the replies at the Annual General Meeting.
5. Details of Directors seeking appointment/re-appointment in the 24<sup>th</sup> Annual General Meeting, in pursuance of clause 49 of the Listing Agreements.

Name of Director	Mr. Anant Thakore	Mr. C. S. Park	Mr. J. H. Choi	Mr. Rajneesh Anand	Mr. N.I Gandhi
Date of Birth	Jan 12, 1935	Dec. 3, 1946	April 18, 1958	March 05, 1954	April 6, 1950
Date of appointment	20.10.1991	31.01.2000	10.06.2003	w.e.f. 1.02.2005 re-appointed as Managing Director of the Company	w.e.f 18.07.2005 as an Additional Director.
Expertise in specific functional areas	Marketing / Manufacturing in Pharmaceutical bulk drugs and Speciality Chemicals	- Product Development - Production - Overseas Business	Planning & Co-ordination, Overseas Branch	Over 29 years of industrial experience in the area of Production, Planning, Project implementation, Engineering, Finance, Administration etc.	Industrialist with extensive association and expertise in Pharmaceutical Industry and Financial Management.
Qualifications	LLB-Mumbai	- Bachelor's Degree in Pharmacy - Master's Degree in Business & Administration	B. A.	B.E (Mech.), MIE, DMS	B.Com., DMS
List of companies (excluding foreign and private Ltd. companies in which outside Directorships held as on 31 <sup>st</sup> March, 2005)	- Avik Pharmaceutical Limited  - Pharmaceutical Business Group (I) Limited	NONE	NONE	NONE	- Lyka Hetreo Healthcare Ltd. - Lyka Labs Ltd. - Lyka Exports Ltd. - Relic Technologies Ltd. - Lyka BDR international Ltd. - Relic Pharma Ltd. - Pharmaceutical Business Group (I) Ltd.
Chairman/Member of the Committees of the Board of the companies on which he is a director as on 31 <sup>st</sup> March, 2005.	Chairman of Share Transfer committee, Investors Grievances Committee and Member of Audit Committee of Gujarat Themis Biosyn Ltd.	NONE	NONE	NONE	Member of Share Transfer Committee, Shareholders and Investors Grievances Committee of Lyka Labs Ltd.

## ANNUAL REPORT 2004-2005

## EXPLANATORY STATEMENT UNDER SECTION 173 OF THE COMPANIES ACT, 1956

## ITEM NO. 6

Members may be aware that Mr. Rajneesh Anand was appointed as Managing Director of the Company with effect from 1<sup>st</sup> February, 2002 for a period of 3 (three) years i.e. upto 31<sup>st</sup> January, 2005. Subject to the approval of Members, the Board of Directors in their meeting held on 28<sup>th</sup> January, 2005 have re-appointed him for a further period of three years with effect from 1<sup>st</sup> February, 2005.

Mr. Rajneesh Anand, aged 51 years, is B.E. (Mechanical), MIE and DMS. He has been associated with the Company for last Three years as Managing Director of the Company. Mr. Rajneesh Anand has over 29 years of industrial experience in the area of production planning, project implementation, system designing and engineering, quality control, marketing, finance, personnel, labour management and general administration and management. He is also responsible for all technical as also techno-commercial matters of the Company and under his stewardship, the Company has successfully commissioned several new/expansion projects.

The Company has made significant progress and undertakes several projects under the Managing Directorship of Mr. Rajneesh Anand. The Managing Director shall report to the Board of Directors and shall devote whole time and attention to the business of the Company. He shall perform such of the functions as may from time to time be entrusted to him by the Board of Directors. All his acts should be subject to the Supervision and Control of Board of Directors of the Company.

The terms of appointment and remuneration/revised remuneration paid/payable to Mr. Rajneesh Anand as Managing Director of the Company are as under –

1. **PERIOD OF APPOINTMENT** : 3 years with effect from 1<sup>st</sup> February, 2005.

2. **DETAILS OF REMUNERATION**

<u>Particulars</u>	<u>Salary approved initially at the Board Meeting held on 28th January, 2005</u>
With effect from	1 <sup>st</sup> February, 2005
Payable monthly Salary	Rs. 11,000/-
<b>TOTAL</b>	<b>Rs. 11,000/-</b>

In addition to the remuneration payable to the Managing Director as aforesaid, he shall also be entitled to participate in the Company's Group Accident Insurance Policy.

The benefits and payments received by the Managing Director on account of above shall not be included in the computation of limits for the remuneration.

Provision for use of Company's Car for official duties and telephone (including Mobile Phone) at residence (including payment for local calls and long distance official calls) will not be considered as remuneration and included in the computation of remuneration receivable by the Managing Director.

**Minimum Remuneration** : Notwithstanding anything to the contrary herein contained where in any financial year during the currency of his tenure as the Managing Director of the Company, if the company has no profits or its profits are inadequate, the company shall pay remuneration by way of salary and perquisites and allowances as specified above or the maximum remuneration payable as per the limits set out in section II of Part II of Schedule XIII of the Companies Act, 1956 whichever is lower, unless otherwise determined by the Board of Directors subject to approval of Central Government, if required as minimum remuneration.

The terms and conditions of the appointment of Mr. Rajneesh Anand as aforesaid may be varied from time to time by the Board of Directors as it may in its discretion, deem fit, within the maximum amounts payable to the managing and wholetime directors in accordance with Schedule XIII to the Companies Act, 1956 or any amendments made hereafter in this regard.

Mr. Rajneesh Anand, so long as he function as Managing Director of the Company, shall not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof.

## GUJARAT THEMIS BIOSYN LIMITED

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Appointment of Mr. Rajneesh Anand as Director and Managing Director of the Company is subject to the provisions of Section 283(1)(i) of the Companies Act, 1956. If at any time, Mr. Rajneesh Anand cease to be a Managing Director of the Company, and as such in employment of the Company, for any causes whatsoever, then he shall forthwith cease to be the Director of the Company and vice versa.

The Managing Director shall, subject to the supervision and control of the Board of Directors, be entrusted with such powers and perform such duties, as may, from time to time, be delegated/entrusted to him.

In addition to the above terms and conditions governing remuneration, the Agreement to be signed by the Company with Mr. Rajneesh Anand also provides for earlier determination of his appointment by either party by giving three months notice in writing to the other party or the Company paying three month's remuneration in lieu thereof, non-participation in any selling agency of the Company by himself or through his wife and/or minor children, reimbursement of the entertainment, travelling and all the other expenses incurred by him for the business of the Company, etc.

The resolution proposed at item no. 6 of the accompanying Notice also provides for variation in the terms of the appointment including the remuneration payable to Mr. Rajneesh Anand at the sole and absolute discretion of the Board of Directors of the Company, subject to, however that the remuneration payable to Mr. Rajneesh Anand shall not exceed the maximum remuneration permissible under Schedule XIII and in accordance with the other applicable provisions of the Companies Act, 1956.

The Board recommends passing of the resolution set out at Item No. 6 in the notice of the 24<sup>th</sup> Annual General Meeting.

The draft Agreement between the Company and Mr. Rajneesh Anand is available for inspection by the members of the Company at its Registered Office between 9.00 a.m. to 11.00 a.m. on any working day of the Company up to and including the date of the 24<sup>th</sup> Annual General Meeting.

The details of terms of appointment and variation, as aforesaid, be treated as an abstract of the terms of appointment or variation in terms of appointment of Mr. Rajneesh Anand as Managing Director of the Company required to be circulated amongst the members pursuant to the Provisions of Section 302 of the Companies Act, 1956.

Except Mr. Rajneesh Anand, None of the other directors of the Company may be considered to be concerned or interested in the proposed resolution.

### ITEM NO. 7

Mr. N. I. Gandhi was appointed as an Additional Director of the Company with effect from 18<sup>th</sup> July, 2005 by the Board of Directors. Pursuant to provisions of Section 260 of the Companies Act, 1956 ("the Act") he holds the office up to the date of forthcoming Annual General Meeting of the Company.

Mr. N. I. Gandhi, aged 55 years, is an Industrialist and associated with the company for more than 10 years. Mr. N. I. Gandhi has over 25 years of experience of Pharmaceutical Industry.

Mr. N. I. Gandhi is eligible for appointment and the Company has received a notice in writing under section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of Director. The Company has received letter from him regarding that he is not disqualified Under Section 274(1)(g) of the Companies Act, 1956. The Board of Directors recommends appointment of Mr. N. I. Gandhi as Director of the Company.

None of the directors are concerned or interested in the said resolution.

### Registered Office

69/C, GIDC Industrial Estate,  
Vapi- 396 195  
Dist. Valsad,  
Gujarat.

By order of the Board

**RAJNEESH ANAND**  
Managing Director

Mumbai, 18<sup>th</sup> July, 2005



**ANNUAL REPORT 2004-2005****DIRECTORS' REPORT**

To the Members,

Your Directors have pleasure in presenting herewith the 24<sup>th</sup> Annual Report together with the Audited Accounts of the Company for the Financial Year ended March 31, 2005.

**FINANCIAL RESULTS**

	<b>Year ended 31.03.2005</b>	<b>(Rs. in Lakhs) Year ended 31.03.2004</b>
Total Income	<b>2497.93</b>	2519.36
Operating Profit / (Loss)	<b>261.58</b>	184.34
Interest and Finance charge	<b>165.45</b>	153.48
Profit / (Loss) before depreciation, prior period adjustments & tax	<b>96.13</b>	30.86
Profit / (Loss) before tax	<b>(92.89)</b>	(153.26)
Provision for tax – Current		-
– Deferred	-	22.89
Income tax for earlier year	<b>7.06</b>	8.30
Profit/(Loss) after tax	<b>(99.95)</b>	(184.45)
Surplus/(Deficit) brought forward	<b>(243.11)</b>	(58.66)
Surplus / (Deficit) carried forward to Balance Sheet	<b>(343.06)</b>	(243.11)

**OPERATIONS**

Your Company's operations during the year under review, have been generally smooth. The Company's sales for the year amounted to Rs. 2457.04 lakhs as compared to Rs. 2500.53 lakhs during the previous year. The operating profit for the year is Rs. 261.58 lakhs as compared to Rs. 184.34 lakhs for the previous year. The net loss recorded by the Company for the year is Rs. 99.95 lakhs as compared to Rs. 184.45 lakhs in the previous year. The sales volume was not optimum for the size of the company to meet all the overheads; this has resulted in the losses.

**MANAGEMENT DISCUSSIONS AND ANALYSIS****1. Industry Structure & Developments**

India has been making rapid strides in the field of Bulk Drugs and majority of these drugs required in India are manufactured in India. India, also happens to be a major exporter of bulk drugs all over the globe, particularly to Europe and US markets.

Your Company is in the business of manufacturing of bulk drug called "Rifampicin" produced by fermentation process. Indian fermentation industry is also quite sizeable. However it is small when compared to the drug industries manufacturing drugs by synthetic route.

**2. Opportunity and Threats**

Indian drug industry has been a protected industry to some extent for many products. India being a signatory to GATT agreement Customs Duties have been reduced over the past 2 years making imported bulk drugs cheaper. This resulted in lower prices of Indian products. Further all Bulk Drugs have been removed from the negative list, whereas Rifampicin was in the restricted list up to 31/03/2003. Also the patent law will be in place by the year 2005. As of date Indian producers are manufacturing items which are currently under patent and these products are marketed within country and out of country where patent law does not exist. This would not be possible after 2005 and the Indian companies have to face severe global competition in the Bulk Drug sector.

## GUJARAT THEMIS BIOSYN LIMITED

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### 3. Outlook

Till last year Chinese material was available abundantly at a lower price which has affected the company's performance to some extent. At present the Chinese material's price is high and the supplies are also not as much. Your company is poised to take an advantage of this situation for enlarged market share.

Your company is also making significant progress in developing new products through fermentation and if it is established the company shall have a wide product range in the future.

### 4. Segment-wise or Product-wise Performance

*Your Company is producing active pharmaceutical ingredients like Rifampicin and Lovastatin which belong to the same segment of industry.*

### 5. Risks and concerns

With the Chinese product available now at a comparable price the companies position shall be stable. The company has also initiated necessary steps for reducing the cost of production and the results are encouraging. With the advent of new products the performance should be brighter.

### 6. Internal Control Systems and their adequacy.

The company has adequate internal control procedures commensurate with its size and nature of business. The internal control procedures and systems ensure efficient use and protection of resources and compliance with the policies, procedures and statutes.

### 7. Material Developments in Human Resources and Industrial Relations

Fermentation industry is a high technology Industry. Continuous efforts are being made in training the employees through In-house training programs to suit the Company's requirements. Industrial Relations have been generally cordial and healthy.

### EXPORTS

The company has recorded declined in the exports during the year under review. The Company's export during the year were Rs. 48.67 lakhs as compared to Rs. 56.20 lakhs during the previous year (values are excluding export benefits). The Company will further continue to explore export possibilities in the current year. The export market of the company has declined due to very stiff competition from China.

Your Company is taking aggressive measures on the front of cost reduction through energy conservation and technology improvement to become cost effective at the international level.

### DIRECTORS

Mr. Anant Thakore, Mr. C. S. Park & Mr. J. H. Choi retires at the forthcoming 24<sup>th</sup> Annual General Meeting and being eligible offer themselves for reappointment.

The Board of Directors has at its meeting held on 28<sup>th</sup> January, 2005 re-appointed Mr. Rajneesh Anand as Managing Director of the Company for period of three years with effect from 1<sup>st</sup> February, 2005. The Board of Directors has full faith and confidence in ability of Mr. Rajneesh Anand to steer the company towards prosperity and growth and therefore recommends passing of the resolution as set out in the notice of the 24<sup>th</sup> Annual General meeting with respect to regularizing his appointment as director and seeking approval of the members of the company to the appointment of Mr. Rajneesh Anand as Managing Director and payment of remuneration to him.

Mr. N. I. Gandhi was appointed as an Additional Director of the Company with effect from 18<sup>th</sup> July, 2005 by the Board of Directors. Pursuant to provisions of Section 260 of the Companies Act, 1956 ("the Act") he holds the office up to the date of forthcoming Annual General Meeting of the Company.

Mr. N. I. Gandhi, aged 55 years, is an Industrialist and associated with the company for more than 10 years. Mr. N. I. Gandhi has over 25 years of experience of Pharmaceutical Industry.

Mr. N. I. Gandhi is eligible for appointment and the Company has received a notice in writing under section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of Director. The Company has received letter from him regarding that he is not disqualified Under Section 274(1)(g) of the Companies Act, 1956. The Board of Directors recommends appointment of Mr. N. I. Gandhi as Director of the Company.



**ANNUAL REPORT 2004-2005****INDUSTRIAL RELATIONS**

Relations between the Management and the workers generally remained cordial and peaceful.

**AUDITORS**

Messrs Khandelwal Jain & Co., Chartered Accountant, Statutory Auditors of the Company, retire at the forthcoming Annual General Meeting and offer themselves for reappointment. As regards remarks in the Auditor's Report, the Notes, wherever referred to, are self-explanatory. The Auditors have furnished to the Company the requisite Certificate under Section 224 (1B) of the Companies Act, 1956.

**COST AUDITORS**

Pursuant to the directives of the Central Government under the provisions of Section 233B of the Companies Act, 1956, qualified Cost Auditors appointed by the Company continues to conduct cost audit relating to Company's bulk drug division.

**PARTICULARS OF EMPLOYEES**

No Employees of the Company are drawing salary in excess of the limits specified under section 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**

Information on conservation of energy and technology absorption etc. as required to be disclosed in terms of Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Directors) Rules, 1988, are given in Annexure "A" to the Director's Report.

**CORPORATE GOVERNANCE**

Report of Directors on compliance of conditions Corporate Governance as specified in Clause 49 of the Listing Agreement together with certificate issued by the Auditors of the Company thereon attached to this Report as Annexure "B".

**DIRECTORS RESPONSIBILITY**

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Director's confirms that:

- i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that 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.
- iii) The Directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provision of this act for safeguarding the assets and for preventing and detecting fraud and other irregularities.
- iv) The Directors have prepared the annual accounts on a going concern basis.

**ACKNOWLEDGMENT**

Your Directors have pleasure to place on record their sincere appreciation for the continued co-operation support extended to the Company by Financial Institutions, Union Bank of India, all the Employees, Yuhan Corporation, the State Government of Gujarat, Dept. of Chemical & Petrochemical and various other Government authorities.

For and on behalf of the Board of Directors

Place: Mumbai  
Date : 18<sup>th</sup> July, 2005

**RAJNEESH ANAND**  
Managing Director

**ANANT THAKORE**  
Director

**SURENDRA SOMANI**  
Director

**GUJARAT THEMIS BIOSYN LIMITED****'ANNEXURE A' TO THE DIRECTORS' REPORT**

**INFORMATION AS PER SECTION 217 (1) (e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT.**

**CONSERVATION OF ENERGY****(a) Energy conservation measures taken:-**

During the year under review, all possible efforts were made to ensure optimum conservation of electricity and fuel at the plant.

**(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy :-**

The company has introduced improved operational methods, improved maintenance systems and rationalisation to bring about a saving in power consumption.

**(c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent Impact on the cost of production of goods :-**

The adoption of energy conservation measures stated above is expected to help in saving to the Company on fuel and energy cost.

**(d) It is reliably learnt that CNG will be available at Vapi from April-2006 and your company is investigating the proposal of having Captive Power Generation using CNG. With this scheme, the cost of power will significantly reduce.****(e) The total energy consumption per unit of production as per Form A of the Annexure to the Rules in respect of Industries specified in the Schedule thereto :-**

The Company has invested substantial amount in the Plant and equipment to reduce energy Consumption and the Company will continue in its efforts to improve methods of energy conservation and utilisation.

**FORM - A****Form for disclosure of Particulars with respect to Conservation of Energy****A. POWER AND FUEL CONSUMPTION**

	<u>2004-2005</u>	<u>2003-2004</u>
<b>1. Electricity :</b>		
a) <b>Purchase :</b>		
Units	9,759,120	10,044,916
Total Amount	52,771,338	51,680,194
Rate/Unit (Rs.)	5.41	5.14
b) <b>Own Generation :</b>		
i) Through diesel / LDO Generators (KwH)	75,912	647,852
Diesel / LDO Consumed (Liters)	64,648	284,997
Units / Litre of Diesel /LDO (KwH)	1.17	2.27
Total Amount (Rs.)	1,544,720	5,310,568
Cost / Unit ( Rs. / KwH)	20.35	8.20
ii) Through Steam:		
Turbine / Generator Units	NIL	NIL
Unit / Litres of Fuel / Oil / Gas	NIL	NIL
<b>2. Furnace Oil :</b>		
Quantity (Litres)	258,844	307,125
Total Amount (Rs)	2,915,022	3,153,491
Average Rate (Rs./Litre)	11.26	10.27
<b>3. Coal / Lignite :</b>		
Quantity (Kgs)	5,729,370	3,332,895
Total Amount (Rs.)	15,703,647	7,875,947
Rate / Kgs (Rs.)	2.74	2.36
<b>4. Bagasse :</b>		
Quantity (Kgs)	1,552,130	6,898,860
Total Amount (Rs)	833,277	3,692,290
Rate / Kgs (Rs)	0.54	0.54