

Corporate information

Board of Directors

Mr. Kantilal M. Hiran
Chairman and Managing Director

Mr. Vijay K. Hiran
Whole Time Director

Mr. M. Kailash Kumar

Mr. H. N. Bafna

Mr. Uttamchand Hiran
(Resigned w.e.f. 28th August, 2007)

Mr. Mukesh Naik

Mr. Ashok A. Lunia
(Appointed as Additional Director w.e.f. 28 August, 2007)

Auditors

M/s. B. L. Dasharda & Associates
Chartered Accountants

Bankers

State Bank of India

Registered Office

Palm Court, M Block, 601/ A1, Link Road,
Malad (West), Mumbai – 400 064.
Tel No. 022-40953000.
Fax No. 022-40953099.
Email : info@hiranorgochem.com / hiran@vsnl.com
Website : www.hiranorgochem.com

Plant

- a) Plot No. 663, GIDC, Panoli, Ankleshwar,
Dist: Bharuch, Gujarat - 394 116.
- b) Plot No. 322/B, GIDC, Panoli, Ankleshwar,
Dist: Bharuch, Gujarat - 394 116.

Registrar and Share Transfer Agents

Bigshare Services Pvt. Ltd.
E-2, Ansa Industrial Estate, Sakivihar Road,
Saki Naka, Andheri (E), Mumbai - 400 072.
Tel No. 022-2847 3474 / 2847 0652 /53.
Fax No. 022-2847 5207.
Email : bigshare@bom7.vsnl.net.in

Dear Shareholders,

The year has ushered in many changes in your company. Last year was an exceptional year for your company as we were able to take advantage of the prevailing situations wherein there was inadequate supply of raw material (DCFB and acetophenone) resulting in Ciprofloxacin production outstripping demand. But at Hiran we were able to provide our suppliers the desired quantities of Ciprofloxacin although at higher prices which accounted for the high profits reported by us.

However, in the year under review, the Ciprofloxacin situation stabilized which led to our sales and profits dipping down marginally. This is a testimony to the fact that at Hiran we are well equipped to take strides when the circumstances demand. What we witnessed in FY 2006-07 is the normal growth rate that we have been clocking over the years with only FY 2005-06 being an exception.

The key highlights witnessed by us during the year have been the launch of two new products Ofloxacin and Levofloxacin, strengthening our presence in the formulations business by servicing the requirements of top league pharma companies through Hiran Lifesciences and foraying into new geographies such as East Asian and Latin American countries.

But the biggest highlight of the year in our foray into the real estate business. Though our plans are still at a very nascent stage we have forayed into this business by announcing plans of building a fully integrated township at Coimbatore.

Even though we have forayed into the realty sector, the pharma business continues to be the core and we continue to focus on the following:

• Research and development

At Hiran, we view our R&D capabilities as a vital component of our business strategy as that will provide us sustainable and long-term competitive advantage. Continuous R&D efforts are on to formulate new products conforming to international standards. Currently, we have a pool of scientists who are engaged in path-breaking research as being a leader in our industry requires an outstanding strategy for growth and a relentless focus on our consumers' living healthier lives. Our expertise in R&D and manufacturing enables us to safely and effectively bring industry changing products to market and capitalize on emerging growth opportunities.

• Quality

Quality being our supreme objective, we continuously keep abreast of the latest information and technological developments both in India and abroad. Your company has evolved a quality policy, which has helped us grow manifolds in this business since our inception. Further, we also ensure that our manufacturing capacities adhere to stringent regulatory compliances and quality norms.

• Manufacturing facilities

To cater to this growing demand, Hiran augmented its capacities more than 30 fold since inception from 30 MT per annum to 960



MT per annum in 2005, with the last capacity expansion completed in 2004. The company has two versatile manufacturing units at Panoli, an established chemical industrial area in Gujarat. Both these units are operating at 75 per cent utilization levels.

• Presence in key markets

We are the largest manufacturer of Ciprofloxacin in the quinolones group of APIs in the country with a 25-30 per cent market share. The key reasons for the phenomenal growth in the domestic markets can be attributed to capacity expansions and constant endeavor to control costs and achieve operational excellence. After meeting the huge domestic demand, we are focusing on international markets, which enable us to report higher realizations and over the years we have built a commendable position in the overseas market with an established presence in over 60 countries.

FUTURE OUTLOOK

We continue to obtain products the way we have in the past, but more broadly and on a significantly expanded scale. We further intend to increase our capacities by setting up two new facilities of which one would be WHO GMP certified and the other would be US FDA approved. This will help enable us to enjoy better economies of scale, strengthen our cost competitiveness, enter new geographies and address the requirements of a larger customer

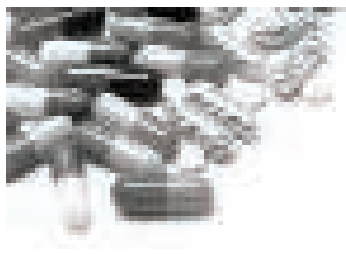
base Also on the anvil are plans to implement backward integration by acquiring a DCFA unit. To be completed in a span of two to three years, the execution of the above initiatives would enable us to emerge as the largest player in the world.

ON A PARTING NOTE

We take great pride in what we do at Hiran and our employees above all are entitled to that pride, because they make it possible for us to achieve what we have. A workforce having the expertise, intellect, dedication and spirit to succeed, along with a collective organizational commitment to deliver continued growth and profitability for shareholders bodes very well for our future.

Our business philosophy is based on constantly delivering value to our stakeholders which inspires people to innovate, achieve excellence and set new global benchmarks. Driven by our vision to become a global leader we reinvent our self time and again to achieve sustained growth and leadership.

Kantilal M. Hiran
Chairman & Managing Director



NOTICE

NOTICE is hereby given that the Twenty Third Annual General Meeting of the Members of **Hiran Orgochem Limited** will be held at 'Goregaon Sports Club', Link Road, Malad (West), Mumbai - 400 064 on **Saturday, the 29th day of September, 2007 at 11:00 A.M.** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2007 and Balance Sheet as on that date alongwith the Reports of Directors and Auditors thereon.
2. To declare Dividend on Equity Shares of the Company.
3. To appoint a Director in place of Mr. M. Kailash Kumar who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. H. N. Bafna, who retires by rotation and being eligible, offers himself for re-appointment.
5. 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 authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT Mr. Ashok A. Lunia who was appointed as an Additional Director of the Company on 28th August, 2007 pursuant to the provisions of Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company and who would vacate his office at the ensuing Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 along with necessary deposit from a shareholder proposing the candidature of Mr. Ashok A. Lunia as a Director of the Company, be and is hereby appointed as a Director of the Company whose office shall be liable to retirement by rotation."

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT as per the recommendation of Remuneration Committee and pursuant to the provisions of Sections 198, 269, 309 and 311 read with Schedule XIII to the Companies Act, 1956 and subject to such approvals as may be necessary, the consent of the Company be and is hereby accorded for re-appointment of Mr. Kantilal M. Hiran as the Chairman and Managing Director of the Company for a period of three years with effect from 1st June, 2007 upon the terms and subject to the conditions as set out hereunder, with further liberty to the Board of Directors of the Company to alter and vary the said terms and conditions, in such manner as may be agreed to between the Directors and Mr. Kantilal M. Hiran but subject to the provisions contained in Schedule XIII to the Companies Act, 1956, as amended from time to time."

The Remuneration is payable by way of Salary and Perquisites as detailed below:

1. Salary : Rs. 2,00,000/- per month.
2. Contribution towards premium for Key Man Insurance Policy not exceeding Rs. 5 Lacs per annum.
3. Contribution to Provident Fund, Superannuation Fund or Annuity Fund. This will not be included in computation of the ceiling on the perquisites to the extent these either singly or together are not taxable under the Income Tax Act, 1961. Gratuity payable shall not exceed half-a-month salary for each completed year of service.
4. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on the perquisites.
5. Provision of car for use on Company's business and telephone at residence. This will not be considered as a perquisite. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.

"RESOLVED FURTHER THAT in the event of absence or inadequacy of net profits in any financial year, the remuneration payable to the Chairman and Managing Director shall be governed by Section II of Part II of Schedule XIII to the Companies Act, 1956 or any statutory modification thereof and the same shall be treated as the Minimum Remuneration payable to the said Chairman and Managing Director".

"RESOLVED FURTHER THAT during such time as Mr. Kantilal

M. Hiran holds and continues to hold office of the Chairman and Managing Director, he shall not be liable to retire by rotation as a Director."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such actions and do all such things as may be necessary or desirable to give effect to this Resolutions."

For and on behalf of the Board of Directors



Place: Mumbai
Dated: 28th ust, 2007

Kantilal M. Hiran
Chairman & Managing Director

Registered Office:
Palm Court,
M Block, 601/ A1,
Link Road, Malad (West),
Mumbai – 400 064.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER.

THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

2. The Register of Members and Share Transfer Books will remain closed from Saturday, 22nd September, 2007 to Saturday, 29th September, 2007 (both days inclusive).

3. The payment of dividend, if any, declared at the Annual General Meeting, will be made to those shareholders or their nominees whose names appear as Beneficial Owners as at the end of business hours on Friday, 21st September, 2007 in the lists of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held by them in electronic form and whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company on or before Friday, 21st September, 2007. Dividend warrants shall be dispatched within thirty days from the date of the Annual General Meeting.
4. Members are requested to notify immediately any change in their address/bank mandate to their respective Depository Participant (DP) in respect of their electronic share accounts and to the Company's Registrar & Share Transfer Agent at Big Share Services Pvt. Ltd., E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai – 400 072, in respect of their physical share folios.
5. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries to the Chairman and Managing Director, so as to reach the Registered Office of the Company at least seven days before the date of the meeting, to enable the Company to make available the required information at the meeting, to the extent possible.
6. Members/Proxies are requested to bring their copy of Annual Report to the Meeting.
7. Members/Proxies are requested to bring the Attendance Slip sent herewith duly filled for attending the Meeting.
8. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of Item Nos. 6 & 7 is appended hereto.

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

Item No. 6:

Mr. Ashok A. Lunia was appointed as an Additional Director of the Company with effect from 28th August, 2007 pursuant to the provisions of Section 260 of the Companies Act, 1956 and Articles of Association of the Company. Pursuant to the provisions of the said section, the term of the office of the said Director expires at the ensuing Annual General Meeting of the Company. The Company has received notice under Section 257 of the said Act along with the necessary deposit from a shareholder proposing the candidatures of Mr. Ashok A. Lunia for the office of Director of the Company.

The Board recommends the appointment of Mr. Ashok A. Lunia as Director of the Company.

The resolution vide Item No. 6 is therefore proposed for approval of the Members.

Mr. Ashok A. Lunia is concerned or interested in the resolution at Item No. 6 of the Notice for his appointment as Director of the Company. No other Director is interested or concerned in the said resolution.

Item No. 7:

The present term of office of Mr. Kantilal M. Hiran as the Chairman and Managing Director of the Company expired on 31st May, 2007. As per the recommendation of the Remuneration Committee, the Board of Directors of the Company at their meeting held on 2nd July, 2007, re-appointed Mr. Kantilal M. Hiran as the Chairman and Managing Director of the Company for a period of three years with effect from 1st June, 2007 on terms and conditions as stated in the resolution.

As per the recommendation of the Remuneration Committee, the appointment of Mr. Kantilal M. Hiran as the Chairman and Managing Director of the Company, would require the consent of the shareholders of the Company pursuant to Sections 269, 309, 311 and other applicable provisions of the Companies Act, 1956 and subject to the limits of Schedule XIII to the said Act. The said resolution is therefore, recommended for your approval.

Mr. Kantilal M. Hiran is concerned or interested in the resolution at Item No. 7 for his re-appointment as Chairman and Managing Director. None of the other Directors, except Mr. Vijay Hiran, is interested or concerned in the said resolution.

BRIEF RESUME OF PERSONS PROPOSED TO BE RE-APPOINTED AS DIRECTOR OF THE COMPANY AT THE ANNUAL GENERAL MEETING:

Name	Mr. M. Kailash Kumar	Mr. H. N. Bafna	Mr. Ashok A. Lunia	Mr. Kantilal M. Hiran
Age	34 years	48 years	49 years	50 years
Qualification	MBA, Chartered Accountant	M.Com., L.L.B., A.C.S., F.C.A.	M. Com.	Matriculation
Nature of Expertise	Taxation, Financial Planning and Project Appraisal	Practising Chartered Accountant	Income Tax Practitioner	Management & Marketing
Experience	11 years	23 years	25 years	35 years
Name of other Companies in which also holds Directorship	None	World Water Fun Resorts Limited	Coimbatore Stock Exchange Limited	None
Name of other Companies in Committees of which holds Membership / Chairmanship	None	None	None	None
Shareholding in Hiran Orgochem Limited	Nil	Nil	21551	819300

For and on behalf of the Board of Directors



Kantilal M. Hiran
Chairman & Managing Director

Place: Mumbai
Dated: 28th August, 2007



DIRECTORS' REPORT

The Members,

Your Directors have pleasure in presenting the Twenty Third Annual Report on the operations of the Company together with the audited accounts for the year ended 31st March, 2007.

Financial Results:

Particulars	(Rs. in Lacs)	
	Current Year 2006-2007	Previous Year 2005-2006
Net Sales and other Income	11,227.83	11,624.45
Profit before Depreciation, Interest and Tax (PBDIT)	893.58	2,499.25
Less: Interest & Depreciation	625.86	466.66
Profit before Taxation	267.72	2,032.59
Provision for Taxation & Deferred Tax	160.07	694.43
Profit after Taxation	107.65	1,338.16
Balance brought forward from previous year	1,472.84	336.79
Profit Available for Appropriation	1,580.49	1,674.95
Appropriations:		
General Reserve	10.00	70.00
Proposed Equity Dividend	52.50	115.86
Tax on Proposed Dividend	8.92	16.25
Balance carried forward to the Balance Sheet	1,509.07	1,472.84

Performance:

The Company's gross turnover during the year under review was Rs. 11,801.44 Lacs as against Rs. 12,167.09 Lacs in the previous year.

Profit before Depreciation, Interest and Tax has decreased from Rs. 2,499.25 Lacs in the previous year to Rs. 893.58 Lacs during the year under review. The Profit before Tax in the current year is Rs. 267.72 Lacs as against Rs. 2,032.59 Lacs in the previous year. The Profit after Tax for the year under review stood at Rs. 107.65 Lacs as against Rs. 1,338.16 Lacs for the previous year. As explained in the Chairman's letter, last year was an exceptional year for your Company. During the year under review, Ciprofloxacin situation has stabilized due to which the profits of the Company has reduced. However, in comparison with the earlier years (other than 2005-06), the Company has achieved a normal growth rate.

Dividend:

Considering the financial position of the Company, your Directors recommend a dividend of Re. 0.50 per share (5% on par value of Rs. 10/- each) on the Equity Share Capital of the Company for the year ended 31st March, 2007, subject to the approval by the shareholders. The dividend, if approved, will be paid on 1,05,00,600 Equity Shares to all those equity shareholders whose

names appear as Beneficial Owners as at the end of business hours on Friday, 21st September, 2007 in the lists of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held by them in electronic form and whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company on or before Friday, 21st September, 2007.

Increase in the Authorised Share Capital of the Company:

To meet the operational requirements, the Company decided to raise additional funds by various means including subscription to share capital. With a view to accommodate the same, it was considered necessary to increase the authorised share capital of the Company from Rs. 11,00,00,000/- (Rupees Eleven Crores only) to Rs. 15,00,00,000/- (Rupees Fifteen Crores only) divided into 1,50,00,000 Equity Shares of Rs. 10/- (Rupees Ten only) each by creation of an additional 40,00,000 (Forty Lacs) new Equity Shares of Rs. 10/- each. The said increase in the Authorised Share Capital was approved by the shareholders at the Extra-Ordinary General Meeting of the Company held on 30th January, 2007 by passing necessary resolutions.

Preferential Allotment of Equity Shares and Optionally Fully Convertible Warrants (OFCWs):

The Board of Directors of the Company had at their meeting held on 14th February, 2007, allotted – (i) 9,10,000 Equity Shares of Rs. 10/- each fully paid-up for cash at a premium of Rs. 120/- per share and (ii) 16,75,000 Optionally Fully Convertible Warrants (OFCWs) (Warrants), each Warrant convertible at the sole option of the holder thereof, any time on or after 1st April, 2007 but before expiry of 18 months from the date of allotment thereof, into 1 fully paid up equity share of the Company of face value of Rs. 10/- each at an exercise price (including premium) of Rs. 130/- per warrant - forming part of the Preferential Issue made by the Company pursuant to the Special Resolution under Section 81(1A) of the Companies Act, 1956, passed at the Extra-ordinary General Meeting of the Company held on 30th January, 2007. The said shares have been listed on Bombay Stock Exchange Limited (BSE) with effect from 21st May, 2007.

Preferential Allotment of Equity Shares on conversion of Optionally Fully Convertible Warrants (OFCWs):

The Company had allotted 23,00,000 Optionally Fully Convertible Warrants (OFCWs) (Warrants) on 23rd September, 2005 pursuant to the special resolution passed by the members of the Company at

the Extra-ordinary General meeting held on 9th September, 2005. The Board of Directors of the Company at their meeting held on 21st March, 2007 allotted 18,66,600 equity shares of face value of Rs. 10/- per share on conversion of 18,66,600 Optionally Fully Convertible Warrants (OFCWs) at an exercise price (including premium) of Rs. 130/- per warrant in first and final tranche to those holders who exercised their option of conversion. The Company is in the process of listing the said equity shares with BSE.

Shifting of Registered Office of the Company:

The Registered Office of the Company has been shifted to 'Palm Court, M Block, 601/ A1, Link Road, Malad (West), Mumbai – 400 064' w.e.f. 11th May, 2007.

Directors' Responsibility Statement:

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- the Directors have 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, 2007 and of the profit of the Company for that period;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts for the year ended 31st March, 2007 have been prepared on going concern basis.

Public Deposits:

The deposits accepted by the Company are in accordance with the provisions of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975 as amended.

Directors:

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. M. Kailash Kumar and Mr. H. N. Bafna, Directors of the Company, retire by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting.

Mr. Ashok A. Lunia, who has been appointed as an Additional Director with effect from 28th August, 2007 pursuant to the provisions of Section 260 of the Companies Act, 1956 would

vacate his office on the date of the ensuing Annual General Meeting of the Company. The Company has received Notice under Section 257 of the said Act from a shareholder proposing the candidature of the said Additional Director for the office of Director of the Company.

The Board of Directors have, on the recommendation of the Remuneration Committee, re-appointed Mr. Kantilal M. Hiran as the Chairman and Managing Director of the Company for a period of three years w.e.f. 1st June, 2007, subject to the approval of the members. The Board recommends for your approval the appropriate resolution as set out in the Notice for the Annual General Meeting.

A brief profile of Mr. M. Kailash Kumar, Mr. H.N. Bafna, Mr. Ashok A. Lunia and Mr. Kantilal M. Hiran as required by Clause 49VIA of the Listing Agreement with the Stock Exchange is given in the Notice of the ensuing Annual General Meeting.

Auditors:

M/s B. L. Dasharda & Associates, Chartered Accountants, the Statutory Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment. The retiring Auditors have furnished a certificate of their eligibility for re-appointment under Section 224(1B) of the Companies Act, 1956 and have indicated their willingness to continue in the said office. Members are requested to appoint auditors for the current year and to authorize the Board to fix their remuneration.

Auditors' Report:

The observations made by the Auditors in their Report read with the relevant notes as given in the Notes to Accounts, are self explanatory and therefore do not call for any further comments under Section 217(3) of the Companies Act, 1956.

Corporate Governance:

A Report on Corporate Governance along with a certificate from M/s. Rathi & Associates, Company Secretaries in Whole-Time Practice, regarding compliance of the requirements of Corporate Governance, as also Management Discussion & Analysis Report pursuant to Clause 49 of the Listing Agreement with the Stock Exchange are annexed hereto.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo:

Information relating to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required under Section 217(1)(e) of the Companies Act, 1956 read with the

Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto and forms part of this report.

Particulars of Employees:

During the year under review, none of the employees of the Company, whether employed for the whole year or part thereof, was in receipt of remuneration aggregating to or in excess of the limits specified under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, and hence, no particulars are required to be furnished in connection with the same.

Acknowledgements:

The Board wish to place on record their since appreciation for the continuous support received from Shareholders, Customers, Suppliers, Bankers, Statutory Authorities and all other business associates. The Board also takes this opportunity to appreciate and value the contribution made by the Company's employees at all levels during the year under review.

For and on behalf of the Board of Directors



Place: Mumbai

Dated: 28th August, 2007

Kantilal M. Hiran

Chairman & Managing Director



ANNEXURE TO THE DIRECTORS' REPORT

Information in accordance with the Companies (Disclosure of the Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2007.

I. CONSERVATION OF ENERGY

The Company has endeavored to ensure the optimal use of energy, avoid wastage and conserve energy as far as possible. Continued thrust was maintained for tapping non-conventional energy sources. There was optimum utilization of machine with regular maintenance and overhauling. Strict control was maintained on electric power consumption. The day to day consumption is monitored and various ways and means are adopted to reduce the power consumption in an effort to save energy.

ENERGY CONSUMPTION		Year Ended 31-03-2007	Year Ended 31-03-2006
A. Power and Fuel Consumption			
1 Electricity			
Purchases	(Units)	4019532	4058813
Total Amount	(Rs. in Lacs)	189.44	183.20
Unit Rate	(Rs.)	4.71	4.51
2 L.D.O./F.O.			
Quantity	(K. Ltrs)	385975	607506
Total Cost	(Rs. in Lacs)	63.74	98.41
Average rate/Litre	(Rs.)	16.51	16.20
3 Others/Internal generation			
Quantity	(Units)	185974	23618
Total Cost	(Rs. in Lacs)	10.79	2.94
Rate/Units	(Rs.)	5.80	12.45
4 Gas Purchase			
Purchases	(Units)	1379275 M ³	1201961 M ³
Total Amount	(Rs. in Lacs)	136.52	108.50
Average rate/Litre	(Rs.)	9.90	9.03
B. Consumption per Unit of Production:			
Electricity	(Units/Kg.)	7.71	7.63
L.D.O.	(Units/Kg.)	0.71	1.14

II. A) RESEARCH AND DEVELOPMENT (R&D):

1. Specific areas in which R&D carried out by the Company.
Research and Development efforts were carried out in several areas.

2. Benefits derived as a result of the above R & D.

The Company has derived the benefits of reduction in cost and improvement in quality due to the above efforts.

3. Future Plan of action

To reduce cost and improve quality, R & D efforts will be continued in the area mentioned above.

B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

1. The Company has full-fledged Laboratory which is continuously engaged in Research and Development of existing products. As soon as the development work is done, its contribution to the cost reduction and quality is tested and thereafter it is included in the standard operating procedure of commercial production.

2. Benefits derived as a result of the above efforts:
Benefits derived as a result of the above efforts, e.g. product quality improvement, cost reduction, product development, import substitution, etc. The continuous up-gradation and adoption of technology has benefited the Company in the form of production process, better yields and quality of the end product and the cost reduction.

3. Purchase of technology imported during the last 5 year:
NIL

III FOREIGN EXCHANGE EARNINGS AND OUTGO:

	(Rs. in Lacs)	
	Year Ended 31-03-2007	Year Ended 31-03-2006
Foreign Exchange		
Earnings	1128.58	2403.99
Outgo	87.82	100.30

For and on behalf of the Board of Directors

Place: Mumbai
Dated: 28th August, 2007


Kantilal M. Hiran
Chairman & Managing Director