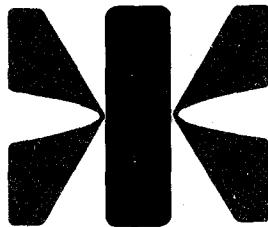


KERALA CHEMICALS & PROTEINS LIMITED

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**TWENTY EIGHTH
ANNUAL REPORT
2003-2004**

KERALA CHEMICALS & PROTEINS LTD.



Board of Directors : **T. K. A. Nair**
Chairman

A. K. Nair
Managing Director

T. Yamaguchi

N. Muraki

H. Tachibana
Technical Director

S. Fujii

P. H. Kurien

K. Ramakrishnan

K. L. Kumar

Secretary : **P. D. Vincent**

Auditors : **Varma and Varma**
Ernakulam

Bankers : **State Bank of India**
Canara Bank
State Bank of Travancore
UTI Bank Ltd.
South Indian Bank Ltd.

Legal Advisor : **M. Pathrose Mathai**
Advocate, Ernakulam

Registrar & Share Transfer Agents : **Cameo Corporate Services Ltd.**
1, Club House Road
Chennai - 600 002
Tel.: 044-28460390
Fax: 044-28460129
E-mail: cameo@cameoindia.com

Registered Office : **Post Bag No. 4262**
50/1002, Panampilly Nagar P.O.
Kochi-682 036

Factory

Ossein Division : **Kathikudam P.O.**
(Via.) Koratty
Trichur District-680 308

Gelatin Division : **KINFRA Export Promotion**
Industrial Parks Ltd.
P.B. No. 3109, Kusumagiri P.O.
Kakkanad, Kochi-682 030

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FINANCIAL HIGHLIGHTS (12 Years)

(Rs. in lacs)

	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04
Total Income	2485.54	2978.75	2820.84	2904.62	4390.99	4755.45	5604.53	6397.79	7397.65	8002.33	7969.16	9224.71
Sales	2290.32	2705.67	2669.70	2424.70	3774.30	4365.03	4963.43	5609.94	6561.04	7161.41	7629.65	8601.25
Exports	2002.92	2387.74	2297.54	1842.55	2733.84	3495.91	3640.04	3702.48	4501.28	4698.63	4684.77	5260.42
Pre-tax Profit/(Loss)	635.06	752.07	747.86	1100.37	865.49	853.91	768.38	(370.46)	(170.89)	367.83	(467.02)	(645.82)
Profit/(Loss) after tax	587.56	680.03	691.84	874.25	688.49	753.91	677.38	(485.42)	(198.22)	441.45	(311.05)	(645.82)
Earnings per share (Rs.)	27.98	32.34	32.38	41.63	32.79	17.95	8.06	(5.78)	(2.36)	5.26	(3.70)	(7.69)
Divided per share (Rs.)	5.00	5.00	5.00	6.00	4.50	3.00	2.50	-	-	-	-	-
Reserves & Retained Earnings	1603.93	2178.97	2765.81	3514.06	4098.06	4503.91	7731.52	7246.09	7047.87	7373.33	7077.28	6431.46
Share Capital	210.00	210.00	210.00	210.00	210.00	420.00	840.00	840.00	840.00	840.00	840.00	840.00
Shareholders' Funds	1813.93	2388.97	2975.81	3724.06	4308.60	4923.91	8571.52	8086.09	7887.87	8213.33	7917.28	7271.46
Return on Equity (%)	32.39	28.47	23.25	23.48	15.98	15.31	7.90	(6.00)	(2.51)	5.37	(3.93)	(8.88)
Book Value/Share (Rs.)	86.38	113.76	141.71	177.34	205.17	117.24	102.04	96.26	93.90	97.78	94.25	86.57
Gross Block	882.78	903.94	966.50	1019.50	1235.61	1662.48	10152.12	10515.63	10610.15	10746.77	10882.23	11028.25
Net Block	498.76	450.75	455.22	451.23	575.60	880.81	9159.12	8761.70	8113.24	7531.66	6955.03	6411.08

NOTICE TO MEMBERS

NOTICE IS HEREBY GIVEN that the 28th Annual General Meeting of Kerala Chemicals & Proteins Limited will be held on 6th July 2004 at 10.00 a.m., at HOTEL AVENUE REGENT, M.G. Road, Ernakulam, Kochi-682 016, to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report, the Audited Balance Sheet as at 31st March 2004 and Profit & Loss Account for the year ended on that date and the Auditors' Report thereon.
2. To appoint a Director in place of Mr. T. Yamaguchi, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration and in this connection to pass with or without modification, the following resolution as a Special Resolution.

"RESOLVED THAT pursuant to the provisions of Section 224A of the Companies Act, 1956, M/s. Varma & Varma, Chartered Accountants, be and are hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting on a remuneration that may be fixed in this behalf by the Board of Directors".

Note:

The re-appointment of auditors is being proposed as a Special Resolution in accordance with Section 224A of the Companies Act, 1956.

SPECIAL BUSINESS

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

"RESOLVED THAT Mr. K.L. Kumar, be and is hereby appointed as a Director of the Company liable to retire by rotation".

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

RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII

and other applicable provisions of the Companies Act, 1956 and subject to such approvals as may be required or necessary, the consent and approval of the Company be and is hereby accorded for the re-appointment of Mr. Hideo Tachibana as Wholtime Technical Director of the Company for a period of two years from 1-5-2004 under Article 127 (1) of the Articles of Association of the Company, on terms and conditions as recommended by the Remuneration Committee and approved by the Board and as detailed in the Explanatory Statement to this notice.

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

RESOLVED THAT pursuant to the provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, Listing Agreement, and all other applicable Laws, Rules, Regulations and Guidelines and subject to such approvals, permissions and sanction as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approval, permissions, sanctions and consent of the Company, be and is hereby accorded to the Board of Directors of the Company to seek voluntary delisting of the equity shares of the Company from the Stock Exchange at Chennai (Madras) and the Board be and is hereby authorised:-

- a) to do all acts, deeds, matters and thing as it may deem necessary expedient, proper or desirable in its absolute discretion.
- b) to execute all such deeds, documents, undertakings etc. as may be necessary to give effect to this resolution.
- c) to settle all questions, difficulties or doubts that may arise in regard to the aforesaid voluntary delisting of shares without being required to seek any further approval of the members.

By Order of the Board,

Kochi
07-05-2004

P. D. VINCENT
Company Secretary

KERALA CHEMICALS & PROTEINS LTD.

NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on a poll on his behalf and a proxy need not be a member. The proxy forms duly completed, stamped and signed must be deposited at the registered office of the company not less than forty eight hours before the meeting.
2. The Register of Members and Share Transfer books of the Company will remain closed for six days from 1st July, 2004 to 6th July, 2004 inclusive of both days.
3. Members holding shares in the same name or same order under different ledger folios are requested to apply for clubbing into one folio.
4. Company has appointed M/s. Cameo Corporate Services Limited, "Subramanian Building", 1, Club House Road, Chennai-600 002, as the Registrar and Share Transfer Agents of the Company w.e.f. 1st April 2003 to deal with the physical as well as electronic share registry.
5. Members are requested to notify immediately any change in their addresses to the Registrar and Share Transfer Agents at their address as given above in the case of physical holdings and to their respective Depository Participants in case of demated shares.
6. Members are requested to furnish details of their nominee in the nomination form which can be obtained from the Company on request.
7. Members desiring any information as regards the accounts are requested to write to the Company so as to reach the Registered Office at least 5 days before the date of the meeting to enable the management to keep the information ready.
8. Pursuant to Section 205A of Companies Act, 1956, and the amendment thereto the amount of dividend unpaid/unclaimed in the dividend account for the year ended 31-3-1997 will be kept with the bankers for a period 7 years and will thereafter be transferred to Investor Education & Protection Fund. Members who have not encashed their dividend warrants yet are requested to claim such dividend immediately.
9. Members are requested to note that trading of company's shares through Stock Exchanges are permitted only in electronic/demat form. The members who have not yet converted their holdings into the electronic form may please consider opening an account with an authorised Depository Participant and arrange for dematerialisation.
10. Members attending the Annual General Meeting are requested to bring with them.
 - i. copy of the Annual Report received by post.
 - ii. members holding shares in dematerialised form, their DP ID & Client ID Nos.
 - iii. members holding shares in physical form, their folio no(s).

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN THE
FORTH COMING ANNUAL GENERAL MEETING**

(in pursuance of Clause 49 of the Listing Agreement with the Stock Exchanges)

Name	T. Yamaguchi	Hideo Tachibana	K. L. Kumar
Age (Years)	66	53	62
Nationality	Japanese	Japanese	Indian
Qualification	Graduate in Commercial Sc.	Chemical Engineering	B.Sc. Engineering (Mech.)
Expertise	43 years experience in Nita Gelatin Inc. as Manager, Director and Executive Vice-President	Has 29 years experience in manufacturing of Gelatin in the collaborators factory at Japan and two years as Technical Director in Kerala Chemicals and Proteins Ltd.	Former Chairman & Managing Director of Kochi Refineries Ltd. 15 years in Engineering Consultancy Services, 22 years with Kochi Refineries Ltd. Out of this, 12 years as Chairman & Managing Director.
Other Directorships excluding Foreign Companies	Nil	Bamni Proteins Ltd.	Nil

KERALA CHEMICALS & PROTEINS LTD.

ANNEXURE TO THE NOTICE

Explanatory statement pursuant to Sec. 173(2) of the Companies Act, 1956.

Item No. 4

Mr. K.L. Kumar was appointed as a Director of the Company in the casual vacancy caused by the sudden demise of Mr. Revi Karuna Karan and will retire in the Annual General Meeting. Notice has been received from a member alongwith the deposit of Rs. 500/- as required under Sec. 257 of the Companies Act, 1956 proposing the candidature of Mr.K.L. Kumar as a Director of the Company. Considering his experience, expertise and valuable contribution on the Board, your Directors recommend that he be appointed as a Director of the Company liable to retire by rotation.

Except Mr. K.L. Kumar, no other Director is concerned or interested in this resolution.

Item No. 5

In terms of Joint Venture Agreement among the promoters of the Company and Article 127 (1) of the Articles of Association of the Company, the foreign collaborators have the right to appoint Whole-time Technical Director. In exercise of this power, they have proposed to the Company to re-appoint Mr. Hideo Tachibana as Whole-time Technical Director of the Company for a period of two years from 1-5-2004. The Remuneration Committee has recommended the terms, conditions and re-appointment of Mr. Hideo Tachibana and the Board of Directors has accepted the recommendation and re-appointed him as Whole-time Technical Director of the Company for a period of two years with effect from 1-5-2004 subject to the approval of the members in General Meeting on the following terms and conditions.

1. Basic salary : Rs. 35,000/- (Rs. Thirtyfive thousand) per month.
2. Perquisites
 - i) Housing : Will be provided by the Company for which 10% of the salary will be deducted. The expenditure incurred by the Company on gas, electricity, water and furnishings will be valued as per

Income Tax Rules and shall be subject to a ceiling of 10% of the Salary.

- ii) Medical Benefit : Expenses actually incurred for self and family subject to the ceiling of one month's salary in a year.
- iii) Personal Accident Insurance : The annual premium not to exceed Rs. 4,000/- to the Company.
- iv) Leave Travel : Return passage for self and family once in a year by business class to home town in Japan.
- v) Holiday passage for children : Once a year by economy class from their place of study abroad to (Cochin) India and back.
- vi) Passage : Reimbursement of actual expenses incurred on joining duty and return to home town on completion of tenure viz. travel by business class for self and family, packing and forwarding, loading/unloading, freight, insurance, customs duty, clearing expenses at port of disembarkation, local transportation charges to residence and installation expenses.
- vii) Car : Motor car for personal and official use. Personal use of car will be billed for.
- viii) Telephone : Free telephone at the residence. Long distance personal calls will be billed for.
- ix) Leave and leave encashment : On full pay and allowances not exceeding 30 days for every year of service. Unavailed leave, if any, at the end of the tenure will be allowed to be encashed.

KERALA CHEMICALS & PROTEINS LTD.

- x) Club Membership: Membership fee of any two clubs will be reimbursed. No life membership fee will be paid.
- xi) Entertainment expenses : Actually incurred in the course of the business of the Company will be reimbursed subject to the limits fixed by the Board.

The above said remuneration will be paid to Mr. Tachibana as minimum remuneration and shall not be varied/reduced with reference to profits or otherwise.

Except Mr. Hideo Tachibana, no other Director is concerned or interested in this resolution.

Item No. 6

Equity Shares of your Company are listed on the Bombay Stock Exchange (BSE), Madras Stock Exchange (MSE) and Cochin Stock Exchange (CSE). With wide and extensive networking of the centres of the BSE and also the extension of their terminals to all other major cities as well, the investors all over the country have easy access to on-line trading in the shares of the Company. Almost the

entire volume of trading in the shares of the Company takes place through BSE. The volume of trading in the shares of the Company at MSE is negligible. In fact, there has been hardly any transaction on MSE during last couple of years. Therefore, there is practically no benefit to shareholders in continuing listing on MSE to justify the cost incurred by the Company.

Under the Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003, Companies have been now allowed to seek voluntary delisting from the Stock Exchanges including the regional Stock Exchange. As per the guidelines exit opportunity need not be given where the shares of the company continue to be listed on Stock Exchange having nation-wide trading terminals ie. BSE.

In view of this, special resolution seeking your approval for delisting the shares of your company from MSE has been placed before the General Meeting for approval. Members may note that the proposed delisting will not, in any way, impair their interest and liquidity of the shares of the company.

None of the Directors of the Company is presently concerned or interested in the Resolution.

DIRECTORS' REPORT

To the Shareholders,

Your Directors present their 28th Annual Report and the Audited Accounts of your Company for the year ended 31st March, 2004.

FINANCIAL HIGHLIGHTS

	(Rs. in lacs)	
	2003-04	2002-03
Profit before depreciation, tax and provision for doubtful loans and advances	101.40	250.58
Depreciation	694.65	717.60
(Loss)/Profit before provision for doubtful loan/advances written off	(593.25)	(467.02)
Provision for doubtful loans and advances	52.57	-
(Loss)/Profit before tax	(645.82)	(467.02)
Provision for Income tax		
- Deferred Tax	-	(146.00)
- Prior years Tax	-	(9.97)
Profit/(Loss) after tax	(645.82)	(311.05)
Balance of loss brought forward from previous year	(230.72)	80.33
Balance Profit/(Loss) carried to Balance Sheet	(876.54)	(230.72)

REVIEW OF OPERATIONS

As reported in our last report, the Gelatin Industry is still passing through a difficult situation. The madcow disease in Europe and the phyto sanitary regulations imposed by the export markets, have put a lot of pressure on the raw material front resulting in increase in the price of raw materials and have also restricted our market access. There is also a general reduction in the global demand for bone gelatin due to health scare. The Company had to make efforts to ensure long term sustainability of performance, in the face of these adverse global realities.

The market for Dicalcium Phosphate went down drastically last year when the poultry industry was badly affected by bird flu in the South Asian countries, and the consequent reduction in the demand for chicken. This phenomenon together with the unprecedented drought in the Southern States has badly affected the market for Dicalcium Phosphate and consequently on its price. The loss on account of reduction in price compared to last year was Rs. 424.58 lakhs. The DCP market is still under pressure. The strengthening of rupee against dollar also resulted in loss to the company. The loss on account of this during the year compared with average exchange

realisation during last year was Rs. 287 lakhs. The average prices of raw materials, mainly crushed bone increased by 16.3%. The main reason for the increase in CB price was the export of crushed bone to Europe, reduced availability of raw bone and increase in freight. There was no corresponding increase in the price of Gelatin and Ossein due to lower demand and excess production which adversely affected the profitability of your Company. The Government of India has reduced the export incentive from 5% to 3% in February 2004 and also premium on transfer of Licence decreased considerably due to change in Government Policy which contributed to Rs. 116.91 lakhs towards loss.

Your Company took a conscious decision to comply with the International Regulation with regard to Bovine Spongiform Encephalopathy (BSE) in order to retain our foothold in the pharma and photo segments, and to spread its risk and also ensure the best possible price realisation. The Company decided to process two types of raw materials - SRM free for pharma and normal for photo in our Gelatin plant. However, the European Regulatory Authorities refused to permit the processing of two types of raw materials in the same production line due to cross contamination risk. The European Union introduced Regulation 1774 making the compliance requirement mandatory for all types of gelatin including photographic grade. With the appearance of BSE in Japan and USA, Government of Japan has also modified their regulations with regard to Bone and Bone products for pharma and edible applications which will be effective from 1-5-2004. All segments of the industry will be progressively put under this regulation and will be 100% compliant by 1-1-2005. Your Company had to incur substantial expenditure to develop vendors to procure bone at a higher price. The decision taken by the Company at an early stage helped the Company comply with these regulations.

With the active involvement of the Management Support Team deputed by our Collaborators, your Company could further improve the yield of Gelatin and could reduce consumption of utilities like Furnace Oil, one of the main inputs for Gelatin and power, which substantially reduced the loss. The savings on account of increase in yield was Rs. 234.67 lakhs where as the savings on account of reduction in utilities cost was Rs. 261.66 lakhs. Your Company has also availed itself of Foreign Currency loan at a cheaper rate to the extent possible, which also helped to reduce losses. The collaborators have also extended their help to produce photographic grade Gelatin, a value added product which helped your Company in getting an assured market for Gelatin in the coming years. Your Company is making all out efforts to increase the yield further and reduce the production cost. The work on expansion/modernisation of gelatin plant has already started and is expected to be completed by September 2004.

Gelatin production capacity is thus expanded to 2600 tons per year.

We have no doubt that the strategy adopted by the Company during this year with a long term perspective for meeting the compliance requirements of international regulations, coupled with the steps taken for achieving increased production capacity and increased process efficiency will go a long way in realising high performance levels in the coming years. The cost of production of gelatin will decrease considerably once the expansion and modernisation work is over.

Your Company sold 1454 MT of Gelatin in the export markets such as Turkey, Jordan, USA and Singapore besides Japan and 778 MT in the domestic market as against 1047 MT and 584 MT during last year. Altogether, the turnover increased by 12.73%. The financial results of the year's operations vis-a-vis that of the previous year are given in the beginning of the report.

BAMNI PROTEINS LTD.

Production at Bamni Proteins Ltd., was consistent during the year mainly on account of processing of crushed bone on contract basis. Production during the year was 91% of installed capacity which helped the Company to make profit during 2003-04.

The Directors' Report, Balance Sheet and Profit & Loss Account of Bamni Proteins Ltd. showing a profit of Rs.16.10 lakhs for the year 2003-04 is attached as required under Section 212 of the Companies Act, 1956.

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

The information as 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.

HUMAN RESOURCE DEVELOPMENT

For the year 2004 we are continuing with the training programme with the contents being updated periodically.

PARTICULARS OF EMPLOYEES

None of the employees of the Company is coming under the purview of Section 217(2A) of the Companies Act, 1956. Details of managerial remuneration under Section 198 of the Act, are furnished under Note No.B2 of Schedule 21 forming part of the Accounts.

RESPONSIBILITY STATEMENT OF DIRECTORS

Directors responsibility statement on the Annual Accounts of the Company for the year ended 31.03.2004, pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956.

Your Directors confirm

- i) That in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- ii) That they 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 as at 31st March 2004 and of the profit or loss of the Company for the year ended 31st March 2004.
- iii) That they have taken proper and sufficient care for the maintenance of adequate accounting records in safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) That they have got prepared the annual accounts on a going concern basis.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Report on Management Discussion and Analysis Report is annexed.

CORPORATE GOVERNANCE

A report on Corporate Governance alongwith Certificate of Compliance from the Auditors is Annexed.

ADDITIONAL DISCLOSURES

Keeping in view the requirements of the Listing Agreements and the Accounting Standards of the Institute of Chartered Accountants of India, your Company has made additional disclosures in respect of Consolidated Financial Statements, Related Party Transactions and Segmental Reporting.

DIRECTORS

Under the provisions of the Articles of Association of the Company and the Companies Act, 1956, Mr. T. Yamaguchi retires by rotation and is eligible for re-election. Necessary resolution in this behalf has been proposed for consideration of the members.

Mr. Revi Karuna Karan, who has served on the Board of the Company since 16-3-1984, expired on 25-11-2003. The Company expresses its deep condolences on the demise of Mr. Revi Karuna Karan and remembers his contribution to the Company during his tenure on Board.

The Board of Directors appointed Mr. K.L. Kumar as a Director with effect from 8-12-2003 in the casual vacancy caused by the demise of Mr. Revi Karuna Karan.

KERALA CHEMICALS & PROTEINS LTD.

Mr. K.L. Kumar will retire during this Annual General Meeting and is eligible for appointment. Necessary resolution in this behalf has been proposed for consideration of the members.

AUDITORS

M/s. Varma & Varma, the retiring auditors are eligible for re-appointment and a Special Resolution is being proposed for their re-appointment.

ACKNOWLEDGEMENT

Your Directors place on record their gratitude to the State

and Central Governments, The Kerala State Industrial Development Corporation Limited, Nitta Gelatin Inc., Mitsubishi Corporation, the Company's Bankers, Customers, Suppliers and Shareholders for their continued co-operation and support. They also acknowledge and appreciate the valuable contributions of the Executives and employees of the Company at all levels.

For and on behalf of the Board,

Kochi
7th May 2004

T. K. A. NAIR
Chairman

ANNEXURE TO THE DIRECTORS' REPORT**(A) CONSERVATION OF ENERGY**

- (a) During the year energy conservation measures were continued.
- (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy.

Energy saver	: Rs. 60,911/-
Heat Exchanger	: Rs. 50,000/-
Booster Pump	: Rs. 63,537/-
Steam savings in the evaporators by Thermo Compressor	: Rs.100 lacs
- (c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:
It is expected that the above measures will result in energy savings and consequently reduce cost of production.
- (d) Total energy consumption and energy consumption per unit of production.
As per Form 'A' Attached.

recognition from the Dept. of Science and Industrial Research, Govt. of India.

The in-house R&D efforts towards improvement of product quality, effluent discharge systems and value addition to effluent sludge have been continued. The trial run to produce bio-gas from effluent sludge was successful. The process conditions are now being standardised for the production of bio-gas. The Company proposes to undertake the following studies during the year.

1. Degreasing of slaughtered bones by standardising the degreasing time and temperature to get crushed bone with optimum grease and Ossein with optimum ALL.
2. Production of gelatin from bone grist by standardising acidulation process time and acid concentration for Ossein production and liming days for limed Ossein production.

The benefits from these activities will manifest in due course through cost reduction, product improvement and miscellaneous revenue.

Expenditure on R&D

	(Rs.in lacs)	
	Current Year	Previous Year
a. Capital	1.92	1.60
b. Development Expenses	3.96	2.05
c. Recurring Expenses	9.01	4.84
Percentage to turnover	0.17	0.11

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

	(Rs. in lacs)	
	Current Year	Previous Year
a. Earnings	5278.37	4711.19
b. Outgo	209.47	94.18

The technology for Ossein, Dicalcium Phosphate, Compound Glue, Limed Ossein and Gelatin obtained from the foreign collaborators has been fully absorbed and improved upon. The Collaborators have now given technology to manufacture Photographic Gelatin. With the active support of the collaborators the yield of Gelatin improved and the consumption of utilities like Furnace Oil, one of the main inputs for Gelatin and power could be reduced. The company is making continuous efforts towards technology absorption, adaptation and innovation in respect of Gelatin.

RESEARCH & DEVELOPMENT

The Company's in-house R & D unit has got