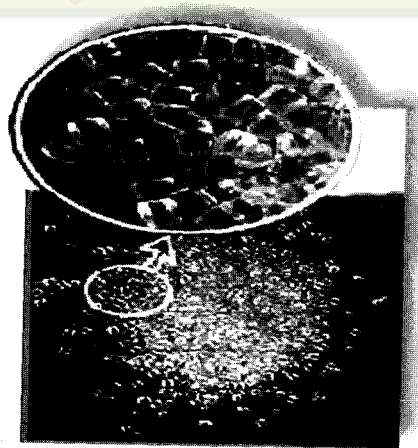




# PEARL ENGINEERING POLYMERS LTD.

## 15th *Annual Report* 2008-2009

Report Junction.com



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# PEARL

## **BOARD OF DIRECTORS**

<b>Chand Seth</b>	– Chairman & Managing Director
<b>Harish Seth</b>	– Managing Director
<b>Dinesh Kothari</b>	– Director
<b>B.B. Mathur</b>	– Director
<b>Ashok Khanna</b>	– Director

## **ASSISTANT COMPANY SECRETARY**

Pallavi Razdan

## **AUDITORS**

**J.C. Bhalla & Co.**

B-5, Sector 6, Noida-201301 (UP)

## **REGISTERED OFFICE & WORKS**

D-17, M.I.D.C. Indl. Area,  
Kurkumbh, Taluk Daund,  
Distt. Pune - 413 802  
Maharashtra.

## **HEAD OFFICE & INVESTORS' SERVICE CELL**

703 Rohit House  
3 Tolstoy Marg, Connaught Place  
New Delhi - 110 001  
Tel. : 43517917  
Fax : 43517596  
Email - pearl@pearlpet.net  
- investor\_helpdesk@pearlpet.net

## **REGISTRAR & SHARE TRANSFER AGENT**

**MAS Services Ltd.**

T-34, IInd Floor,  
Okhla Industrial Area, Phase-II  
New Delhi – 110 020  
Ph : 26387281/82/83  
Fax : 011-26387384  
Email : mas\_serv@yahoo.com

## **15<sup>th</sup> ANNUAL GENERAL MEETING**

DATE : 30<sup>th</sup> September, 2009  
DAY : Wednesday  
TIME : 2:30 P.M.  
PLACE : D-17, M.I.D.C. Indl. Area  
Kurkumbh, Taluk Daund,  
Distt. Pune - 413 802  
Maharashtra

## **CONTENTS**

Directors' Report .....	1
Corporate Governance Disclosures .....	9
Auditors' Report .....	22
Balance Sheet .....	24
Profit & Loss Account .....	25
Cash-Flow Statement .....	26
Schedules to Accounts .....	27
Significant Accounting Policies & Notes to Accounts .....	33
Balance Sheet Abstract & Company's General Business Profile .....	45

## NOTICE

NOTICE is hereby given that the 15<sup>th</sup> Annual General Meeting of the Members of the Company will be held on Wednesday, the 30<sup>th</sup> day of September, 2009 at 2.30 P.M. at D-17, MIDC INDUSTRIAL AREA, KURKUMBH, TALUK DAUND DIST., PUNE-413802, the Registered Office of the Company to transact the following business:-

### ORDINARY BUSINESS

1. **Adoption of Accounts:** To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2009 and Profit & Loss Account for the year ended on that date together with the Directors' and Auditors' Reports thereon.
2. **Re-appointment of Mr. Dinesh Chandra Kothari:** To appoint a Director in place of Mr. Dinesh Chandra Kothari, who retires by rotation and being eligible, offers himself for re-appointment.
3. **Appointment of Statutory Auditors:** To consider appointment of the Statutory Auditors and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. J.C Bhalla & Co., Chartered Accountants be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on a remuneration (including terms of payment) to be fixed by the Board of Directors of the Company, based on recommendation of the Audit Committee, plus service tax and such other tax(es), as, may be applicable and reimbursement of all out of pocket expenses in connection with the audit of the Books of Accounts of the Company for the financial year 2009-2010."

*By order of the Board of Directors*  
**For PEARL ENGINEERING POLYMERS LIMITED**

Place: New Delhi  
Date: 28<sup>th</sup> July, 2009

**CS. PALLAVI RAZDAN**  
Asst. Company Secretary

**Registered office :**  
D-17, MIDC Industrial Area,  
Kurkumbh, Taluk Daund  
Dist., Pune-413802 (Maharashtra)

### NOTES:

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

The instrument appointing a PROXY should be deposited at the Company's Registered Office not less than 48 hours before the time fixed for holding the Annual General Meeting.

2. The Register of Members and Share Transfer Books of the Company will remain closed from 22<sup>nd</sup> September, 2009 to 30<sup>th</sup> September, 2009 (both days inclusive).
3. Members are requested to bring their Attendance Slips, duly filled in along with their copy of Annual Report to the Annual General Meeting. As a measure of economy, copies of Annual Report will not be distributed at the Meeting.
4. Members holding shares in the dematerialised form are requested to mention their Client ID and DP ID and those holding shares in physical form are requested to mention their Folio numbers on the Attendance slip and hand over the same at the entrance of the Meeting Hall for attending the meeting.
5. Members who hold shares in physical form either in multiple folios with identical names or joint holdings in the same order are requested to send their share certificates to the Company's Registrar & Share Transfer Agent (RTA), M/s MAS Services Limited for consolidation into a single folio at the following address :  
**M/s. MAS Services Limited**  
T-34, IInd Floor, Okhla Industrial Area,  
Phase- II, New Delhi - 110 020  
Phone No. : 011- 26387281/82/83  
Fax : 011- 26387384  
E-mail : mas\_serv@yahoo.com
6. Members are requested to immediately notify any change in their address with PIN code numbers to their respective DP in respect of their electronic share accounts and to the Company or the

Registrar and Share Transfer Agent of the Company in respect of their physical shares, quoting their respective Folio Numbers.

7. The Company's shares are admitted in both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for custody and dematerialization of securities. Members can avail of the depository facilities by approaching any of the Depository Participants (DPs) of NSDL or CDSL or by approaching the RTA of the Company at the above mentioned address.
8. Members desirous of seeking any information from the Company are requested to send their queries to the Company at its Head office situated at 703, Rohit House, 3, Tolstoy Marg, Connaught Place, New Delhi-110 001 well in advance so that the same may reach at least ten days before the date of the meeting to enable the Company to keep the information readily available at the Meeting.
9. **Exchange of Old Share Certificates:** Pursuant to BIFR Order, the share capital of the Company was reduced by 60% and accordingly the Company issued new share certificates in exchange of the old certificates held by the shareholders. The old certificates are no more tradeable in the market and are not accepted for dematerialisation by the Depositories. Accordingly, the holders of such certificates who have not yet exchanged their share certificates, may surrender the old certificates to the Company or the RTA to enable the Company to issue new certificate in exchange thereof as per the entitlement. In case of any clarifications, the investor may get in touch with Secretarial Department at the following address:

**SECRETARIAL DEPARTMENT**

703 Rohit House, 3, Tolstoy Marg,  
Connaught Place, New Delhi- 110001.  
Investor\_helpdesk@pearlpel.net

**INFORMATION REQUIRED TO BE FURNISHED UNDER  
THE LISTING AGREEMENT**

As required under the Listing Agreement, the particulars of the Director who is proposed to be re-appointed is given below :

**NAME** : DINESH CHANDRA KOTHARI  
**AGE** : 59 Years  
**QUALIFICATION** : Chartered Accountant  
**NUMBER OF SHARES HELD IN THE COMPANY** : 515539 Equity Shares  
**EXPERIENCE** :

He is a Chartered Accountant by profession and has served Bukhatir Group in Dubai as an Executive Director for 12 years, before commencing with his own consultancy and advisory services on financial matters extended to individuals as well to the corporate sector. He is a founder and Pro-Vice Chairman of Delhi Public School at Jodhpur (India), DPS, Sharjah (UAE) and DPS, Dubai (UAE).

He is a member of the Audit Committee and Co-Chairman of the Shareholders' & Investors' Grievances Committee constituted by M/s. Pearl Engineering Polymers Limited.

**OUTSIDE DIRECTORSHIPS :**

- Aro Granite Industries Limited
- Ester Industries Limited
- Penam Laboratories Limited
- Interstar Financial Services Limited
- International Print-O-Pac Limited
- Ambuja Cement India Pvt. Limited
- New Delhi Corporate Consultancy Pvt. Ltd
- Holcim (India) Private Limited
- Delhi Private School LLC, Sharjah , U.A.E.
- Interstar Marbles Industries LLC, Sharjah, U.A.E.
- Shugan Chandra Kothari Trust
- D.C. Kothari HUF

*By order of the Board of Directors*  
**For PEARL ENGINEERING POLYMERS LIMITED**

Place: New Delhi **CS. PALLAVI RAZDAN**  
Date : 28<sup>th</sup> July, 2009 **Asst. Company Secretary**

**Registered Office:**  
D-17, MIDC Industrial Area,  
Kurkumbh, Taluk Daund  
Dist., Pune-413802  
(Maharashtra)

## DIRECTORS' REPORT

Dear Members,

Your Directors have the pleasure of presenting the 15<sup>th</sup> Annual Report on the business and operations of the Company along with the Audited Annual Accounts for the year ended 31<sup>st</sup> March, 2009.

### FINANCIAL HIGHLIGHTS

(Amount in Rs '000)

PARTICULARS	For the Year Ended 31 <sup>st</sup> March, 2009	For the Year Ended 31 <sup>st</sup> March 2008
Net Sales	1632989	1650765
Other Income	13130	5890
<b>Total Income</b>	<b>1646119</b>	<b>1656655</b>
<b>Total Expenditure</b>	<b>1600294</b>	<b>1634951</b>
Profit/(Loss) before Depreciation & Tax	45825	21704
- Exceptional/ Extra-ordinary Items	(33973)	11164
- Depreciation	47781	47521
- Tax Expense	1151	739
<b>Net Profit/(Loss) after Depreciation &amp; Tax</b>	<b>(37080)</b>	<b>(15392)</b>

### DIVIDEND

In the absence of availability of distributable profits, the Directors regret their inability to recommend dividend on the Equity Shares of the Company for the year ended 31<sup>st</sup> March, 2009.

### MANAGEMENT DISCUSSION AND ANALYSIS

#### Industry Structure and Development

Pearl Engineering is a manufacturer of PET Resin (Bottle and Film Grade) and has its production facility located at Kurkumbh, Pune in Maharashtra. Your Company is a raw material supplier for containers used for packaging of numerous items including carbonated soft drinks, mineral water, edible oil, juices, personal care products, dairy & alcoholic beverages, pharmaceuticals, toiletries etc.

Attributes like transparency, lightweight, break-resistant & heat-resistant characteristics and above all its safe-to-use feature has made "PET resin" the most preferred material of the FMCGs in the packaging Industry. With ever-increasing consumer products and their multiple packaging schemes, your Directors foresee a growing market for its end product- PET Resin.

#### Business and Financial Performance Review

During the year, the Company has incurred a net loss of Rs. 370.80 lacs compared to a net loss of Rs.153.92 lacs in the previous year. The increase in the amount of loss is largely owed to the exchange rate fluctuations on foreign currency loans availed by the Company to finance its fixed assets.

The Company has paid dues to the lender AFIC (Asian Finance and Investment Corporation Ltd) up to December 2005, thereafter the principal amount and interest due thereon was not paid due to inadequacy of profit. The Company is in discussions with this lender for a one time settlement.

Your Company has made continuous efforts to maintain the same level of production amidst challenging and volatile market conditions with the oil prices soaring as high as \$147.30/ barrel in July 2008 along with consequent changes in raw material prices. The Company has managed to achieve production of 26031 MT during the year, compared to 26533 MT in the previous year. Further, a Gross turnover of Rs. 17336.04 lacs has been reported by the Company for the year under review, against Rs. 175143.47 lacs in the previous year.

#### Economic Scenario and Outlook

The global economic downturn has affected the PET industry that has felt its pressure from both upstream and downstream. Where the record high oil prices of 2008 have lead to volatile feedstock prices, recession and



uncertainty have weakened the demand for resin. High prices of raw materials have also led to a dramatic increase in PET recycling of post-consumer PET containers that has affected the demand for resins even further.

Consequent to cyclically high operating rates and favorable market conditions enjoyed in much of the PET chain from 2005-2006, the industry has also witnessed an increase in new capacity additions to coincide with the prevailing downturn in demand. Nearly 9 million tons of new capacity is currently under development, which is expected to depress the operating rates further until 2011-2012.

The combined effects of lower demand growth, PET recycling and new capacity additions have forced the PTA & MEG operating rates to go down by 5% in 2008, making the outlook for PET even more challenging.

To add to the challenges further, there has been a sharp slow down in the global bottled water market, which has had major implications on the PET plastics industry in particular. However, to the relief of the PET industry, the beverage demand is forecasted to grow by 2.0% in 2009 and 2.6% p.a in the longer term. Meanwhile, the alcoholic & energy drinks sectors in the Asian region are expected to show an annual growth rate of around 5% and by 10% respectively.

PET (Polyethylene terephthalate) is a highly versatile and energy efficient packaging material, that makes it irreplaceable in the FMCG industry. Accordingly, despite current market situation there remains a substantial long-term growth potential for PET.

#### **Opportunity and Threats**

The industry is currently witnessing high raw material prices, new capacity additions. Further, the concept of PET recycling is also setting its feet to add to the challenges for the industry. However, increasing population, urbanization, increasing disposable urban incomes, growth in the FMCG sector, and usage of PET over other traditional materials like glass etc. have unbolted various opportunities for the PET Industry. Bottled Water, Juices, Carbonated soft drinks, alcoholic beverages, pharmaceuticals being the major growth drivers in the industry. Due to softness of conversion margins in film grade & bottle grade, the Company is making efforts towards developing specialty grade resins where the company expects better margins.

#### **Risk and Concern**

Risks and prospects are inseparable components of the Company's business. Your Company focuses on assessing the risks, managing them and minimizing their incidence with the objective to maximize their returns.

#### **Internal Control Systems and their Adequacy**

The Company maintains a system of internal control to provide assurance regarding effectiveness and efficiency of operations, adequacy & reliability of financial controls and compliance with the applicable laws and regulations. Well documented policies and guidelines have been introduced and implemented at all levels to ensure that the resources are utilized optimally and the financial transactions are reported with accuracy.

The internal audit function of the Company ensures compliance with plans, policies and statutory requirements at periodic intervals, examines adequacy of such controls and reports findings thereon to the Audit Committee for review. The Audit Committee reviews the adequacy and effectiveness of the internal control system and suggests improvements for strengthening them.

The CEO/ CFO Certification establishes and conforms adequacy of the internal control system and procedures of the Company. The said certificate forms part of this report.

***Certain statements in this section may be forward looking and be based on expectations/ projections about the future. Company's actual results, performance could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any of such forward looking statements on the basis of subsequent developments, information or events.***

#### **LISTING OF EQUITY SHARES**

The Company's shares are listed on the Bombay Stock Exchange, Mumbai (BSE) and the National Stock Exchange of India Ltd. (NSE).

## **HUMAN RESOURCE / INDUSTRIAL RELATION**

Your Company continues to take various initiatives for development of its Human resource and has strived to maintain healthy and harmonious relations in the organization. Fostering people development and harnessing their creative potential to the maximum, identifying and grooming management talent at all levels remains a priority. Your Company is privileged to have the right blend of professionals in the organization and makes sincere efforts to ensure that its people are motivated and offers them reasonable compensation and opportunity to grow in the organization.

The industrial relations at all levels of the Company have remained cordial during the year. As on 31<sup>st</sup> March 2009, your Company had an employee strength of 140 .

## **PUBLIC DEPOSITS**

During the year under review, the Company has neither invited nor accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956 and rules made thereunder.

## **BOARD OF DIRECTORS**

The composition of the Board of your Company is governed by the provisions of Companies Act, 1956, Articles of Association of the Company and satisfies the requirements as envisaged in the Listing Agreement entered into with the Stock Exchanges. The Board functions through itself as well as various Board Committees constituted to provide focused governance in important functional areas.

During the year, there has been a change in the Composition of the Board of your Company due to resignation of Mr. Krishen Seth, Non Executive Director w.e.f 14<sup>th</sup> June, 2008. The Board acknowledges the services rendered by Mr. Krishen Seth during his tenure as Director of the Company.

Mr. Chand Seth, Executive Chairman & Managing Director, Mr. Harish Seth, Managing Director, Mr. Ashok Khanna, Mr. B.B Mathur and Mr. Dinesh Kothari, Non-Executive & Independent Directors constitute the Board of the Company, in conformity with the requirements of the Listing Agreement.

In terms of Section 256 of the Companies Act, 1956, and Article 110 of the Articles of Association of the Company, Mr. Dinesh Kothari is liable to retire by rotation as Director at the ensuing Annual General Meeting of your Company and being eligible, offers himself for re-appointment at the said General Meeting. A brief resume of Mr. Dinesh Kothari is included in the Notice for the forthcoming Annual General Meeting.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, it is hereby confirmed:

- ◆ that in preparation of the Annual Accounts, the applicable Accounting Standards have been followed ;
- ◆ that the Accounting Policies selected have been applied consistently and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2009 and of the loss of the Company for the year ended on that date ;
- ◆ that proper and sufficient care has been taken for 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 frauds and other irregularities ;
- ◆ that the Annual Accounts of the Company have been prepared on a "going concern basis".

## **AUDITORS AND AUDITORS' REPORT**

M/s J.C.Bhalla & Co., Chartered Accountants, the Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. They have expressed their willingness to continue as the Statutory Auditors, if re-appointed at the Annual General Meeting to hold office until the conclusion of the next Annual General Meeting.

The Company has received from the auditors, a Certificate stating that their appointment, if made, would be within the prescribed limit under section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such reappointment within the meaning of Section 226 of the said Act.

The notes on Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

**CLARIFICATION TO REMARKS CONTAINED IN POINT 3 (XI) OF THE AUDITOR'S REPORT**

**Point 3 (XI):** The delays were due to liquidity constraints, in view of losses. However, the same were paid in the month of June, 2009 and thereafter the Company has been regular in making payments.

**CORPORATE SOCIAL RESPONSIBILITY**

As a socially responsive organization, your Company is committed to ensuring well being of the communities around it while recognizing interest of all its shareholders, consumers, employees, and suppliers at all times. During the year, your Company continued with the following initiatives:

**Safety :** During the year, 38<sup>th</sup> National Safety week was organized to sensitize the employees towards safer work practices and habits. Competitions like Poster making and Slogan writing were organized at the plant.

**Training :** During the year, various training programs on ISO 9001:2008 awareness, safety awareness & measures and fire fighting drills were conducted for staff and workers at the plant.

**Environment :** The employees celebrated the World Environment day on 5<sup>th</sup> June, 2009. Tree plantation was carried out inside the factory premises and in various areas of the industrial belt by Kurkumbh Industries Association. General awareness on impact of pollution on the environment was also spread amongst the local people.

**Social :** Various social initiatives were also taken at the plant at Kurkumbh:

- ♦ On the occasion of Workers' day, food and school books were distributed at an orphanage.
- ♦ Tea and snacks were distributed to the pilgrims who were on pilgrimage to Pandharpur.
- ♦ An Eye camp was organised in association with the Kurkumbh Industrial Association wherein over 500 patients were treated for eye related ailments.

**ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.**

Details of Energy Conservation and Research & Development activities undertaken by the Company along with the information in accordance with the provisions of Section 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988, forms part of this report as **Annexure-I**

**PARTICULARS OF EMPLOYEES**

In compliance with the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, a Statement of particulars of employees forms part of this report as **Annexure-II**

**CORPORATE GOVERNANCE**

Your Directors reaffirm their continued commitment to good Corporate Governance practices. Your Company adheres to all the major stipulations laid down in this regard, as provided in Clause 49 of the Listing Agreement with Stock Exchanges, which relates to Corporate Governance.

A report on Corporate Governance along with the Certificate from the Statutory Auditors of the Company certifying due compliance with the said requirements forms part of this report.

**ACKNOWLEDGEMENT**

Your Directors would like to acknowledge with gratitude, the commitment and dedication of entire team at Pearl Engineering. Your Directors would also like to thank all the members for the confidence reposed in the management and express deep sense of appreciation for the continued support extended at all times by the stakeholders including its Bankers, Business Associates, Financial Institutions, Government and Non- Governmental agencies .

On behalf of the Board of Directors  
**For PEARL ENGINEERING POLYMERS LIMITED**

Place : New Delhi  
Date : July 28, 2009

Harish Seth  
Managing Director



## ANNEXURES TO THE DIRECTORS' REPORT

### ANNEXURE-I

**STATEMENT OF PARTICULARS WITH RESPECT TO ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO IN ACCORDANCE WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988**

#### A. CONSERVATION OF ENERGY

##### a) Energy Conservation measures taken :

- VFDs installed for the Cooler Tower pumps, Nitrogen Bowler
- New generation chiller installed for reducing electricity consumption.

##### b) Additional Investments and Proposals, if any, being implemented for reduction of consumption of energy :

- Evaluating the possibility of installing VFDs for multi-motor application

##### c) Impact of measures taken already and proposed vide (a) & (b) above are aimed at:

- From the date of adoption of the above measures, electricity amounting to Rs. 4.62 Lacs has been saved till date.
- Process improvements to optimize production and conversion

##### d) Total energy consumption and consumption per unit of production as per Form A is given below

#### FORM A

#### Form for Disclosure of Particulars with respect to Conservation of Energy

	Year ended 2008 - 09	Year ended 2007 - 08
<b>A. Power and Fuel Consumption</b>		
<b>1. Electricity</b>		
a) Purchased		
Units (in '000 Kwh)	10065	10488
Total amount (Rs. in lacs)	467.12	438.31
Rate/Unit (Rs.)	4.64	4.18
b) Own Generation		
(i) through Diesel Generator		
Units (in '000 Kwh)	55	86
Units per litre of Oil	2.81	3.26
Cost /Unit (Rs.)	12.03	10.32
(ii) Through steam turbine/generator		
Units (in '000 Kwh)		
Units per litre of Fuel Oil/Gas		
Cost /Unit (Rs.)	N.A.	N.A.
<b>2. Fuel Oils (FO, FOLV, LDO, HSD)</b>		
Quantity (Kilo Litre)*	2227	2256
Total cost (Rs. in Lacs)	551.24	453.85
Average rate/litre (Rs.)	24.74	20.11
* including fuel used for power generation.		
<b>3. Coal / Coke</b>	N.A	N.A
Quantity (MT)		
Total cost (Rs. in Lacs)		
Average Rate/Kg. (Rs.)		
<b>4. Others/Internal Generation</b>	N.A	N.A
Quantity (MT)		
Total cost (Rs. in Lacs)		
Average rate/Kg. (Rs.)		

**B. Consumption per unit of production**

<b>PET Resin production (MT)</b>	<b>26030 MT</b>	<b>26533 MT</b>
1. Electricity	387 Kwh/MT	395 Kwh/MT
2. Fuel Oils	86 Ltr./MT	85 Ltr./MT
3. Coal	N.A.	N.A.
4. Others	N.A.	N.A.

**B. EFFORTS MADE IN TECHNOLOGY ABSORPTION AS PER FORM B GIVEN BELOW:**

**FORM – B**

**Form of Disclosure of Particulars with respect to Technology Absorption 2008-09**

**1. RESEARCH & DEVELOPMENT (R&D)**

**a) Specific areas in which Research & Development was carried out by the Company**

- Recipe improvements were made in Jar PET Grade
- Development of Specialty grade resin which is an on going process in which the Company has some success in European market

**b) Benefits derived**

- Improvement in market share for Jar PET segment

**c) Future Plan of Action :**

- Products will be developed for new application of PET
- To focus on development of specialty grade & take steps to ensure efficient operations.

**d) Expenditure on R & D :**

Nil

**2. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

**a) Efforts made, in brief, towards technological absorption, adaptation and innovation**

- Innovations done to improve crystallization process

**b) Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc.**

- In view of the above efforts, the Company has been able to make improvements and maintain consistency in some specific grades to keep hold on to particular segments and develop new streams for specialty grade resin.

**c) Information regarding importing technology :**

- Not Applicable. The Company has not imported any technology.

**3. FOREIGN EXCHANGE EARNINGS AND OUTGO**

**1. Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans:**

The Company has been exporting its products to Middle East, Europe and Turkey

**2. Total Foreign Exchange earnings and outgo:**

	<b>(Rs. In '000)</b>
Foreign Exchange Earnings (FOB)	59,721
Foreign Exchange Outgo (on CIF Basis)	
(i) On Imports	
(a) Raw Material	23,303
(b) Stores & Spares	1,083
(ii) Others	3,613