



consolidating strengths



SOUTH ASIAN PETROCHEM LIMITED
Annual Report 2005-06

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Information

(as on 1st June, 2006)

Board of Directors

P.K. Khaitan

Chairman

C.K. Dhanuka

Vice-Chairman

P. Murari

J.P. Kundra

Dr. Basudeb Sen

Y.F. Lombard

H.P. Breitenbach

(Alternate Director

Dr. Sudhir Kapur)

S. Bhattacharyya

(Nominee of Exim

Bank of India)

Dr. S.S. Banerjee

(Nominee of IDBI Ltd)

Executive Director & CEO

B. Chattopadhyay

Executive Director

M. Dhanuka

Executive Director (Corporate)

B.K. Biyani

Senior Vice President (Finance) & CFO

R.K. Dalmia

Vice President (Finance) & Company Secretary

R.K. Sharma

Dy. Company Secretary & Compliance Officer

P.R. Ghosh

Auditors

Lovelock & Lewes

Bankers & Financial Institutions

Bank of Baroda

Bank of India

Canara Bank

Exim Bank of India

Industrial Development Bank
of India Ltd

Punjab National Bank

Syndicate Bank

United Bank of India

ICICI Bank Ltd

State Bank of Travancore

Citi Bank, N.A

Bank of America

Registered Office

Dhunseri House

4A, Woodburn Park

Kolkata-700 020

India

Plant

JL -126, Mouza – Basudevpur,

Haldia

District: Midnapore (East)

Pin – 721 602

West Bengal

India

Wholly Owned Subsidiary

South Asian Petrochem USA,
LLC

180 Cherokee Street, NE,

Marietta, Cobb County,

Georgia - 30060

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Vision

Global eminence
through quality
leadership in PET
solutions.

What we are

- 100 % export-oriented unit.
- Promoted by the Kolkata-based Dhunseri Group.
- Installed capacity of 180,000 tpa.
- Uses modern single stage PET manufacturing technology to produce innovative packaging solutions.
- Listed on the Kolkata and Mumbai stock exchanges.

Location

- Corporate office in Kolkata (West Bengal, India).
- Continuous process plant in the port city of Haldia, 130 kms from Kolkata.

Products

- Finest bottle-grade and film-grade PET resin; introduced hot-filled PET resin grade and established jar grade PET resin.

Technology

- Automated continuous process-oriented single stage PET manufacturing technology.
- Five-reactor Zimmer technology process helping reduce thermal degradation and enhance energy efficiency.

Customers

- Bulk of the sales to brand enhancing international customers with a transnational presence and acceptability.

- 64% of the total sales to foreign customers across 60 countries.
- Sales within India at enhanced realisations.

Brand image

- Recognized as one of the largest and finest bottle-grade PET resin manufacturers in the world.
- Global recognition through the internationally accepted 'ASPET' brand.
- Established image of being able to customise grades to varied customer needs.
- Products approved by international and nationally accepted regulatory bodies like USFDA and BIS etc.

This is what we achieved in 2005-06

- Introduced hot-filled PET resin grade use to package fruit juices and ketchups needing to be filled at high temperatures.
- 16.27% increase in turnover and 10.42% jump in profit after tax.
- Increased production through de-bottlenecking and internal process optimisation.
- Achieved higher realisations from sales through a wider distribution to all large converters.
- Commissioned a dedicated subsidiary in Georgia (USA) for a deeper presence in that geography.

SAPL is a manufacturer of the finest bottle-grade PET resins used in the modern-day packaging of mineral water, carbonated soft drinks, edible oils and pharmaceuticals.





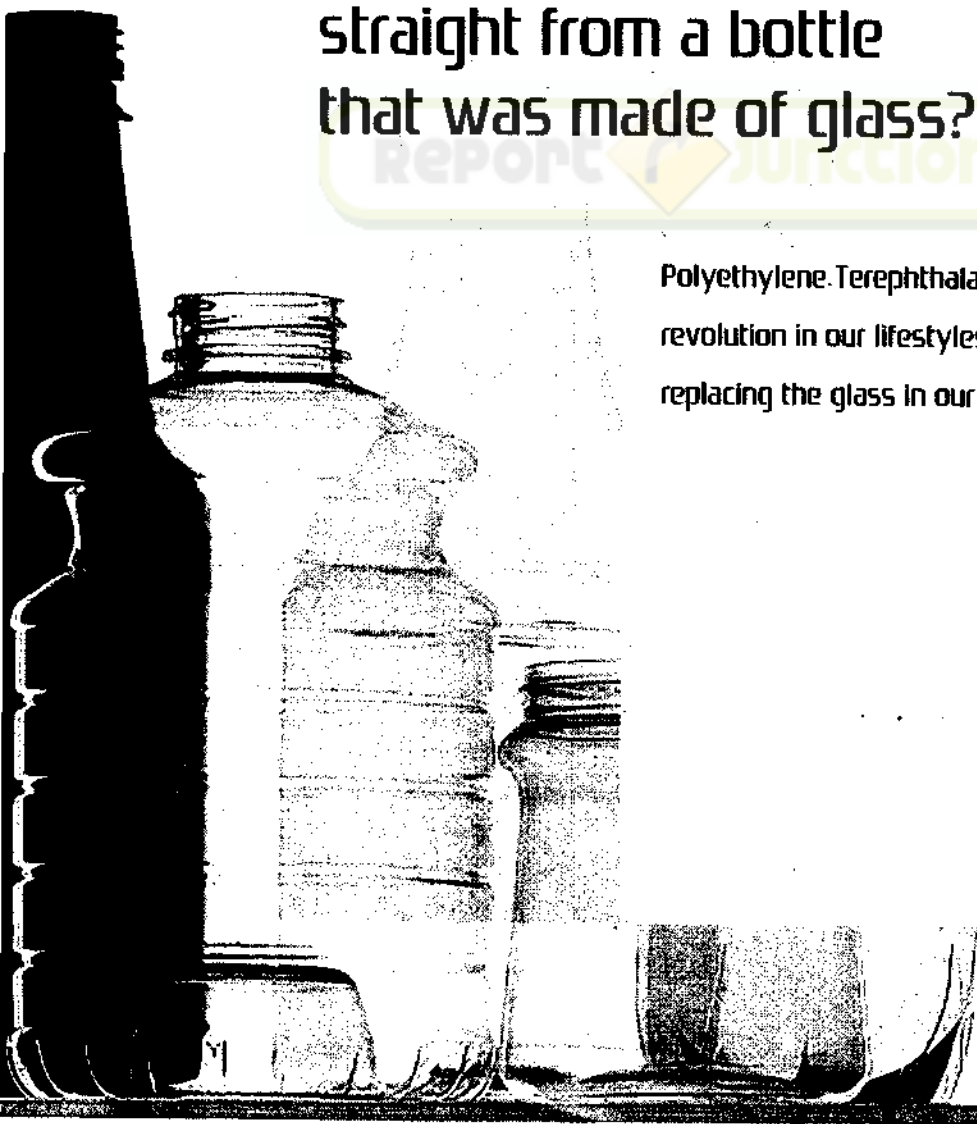
Consolidating Strengths

At SAPL in 2005-06, we consolidated our industry position through a 10.42% increase in our net profit from Rs.18.32 Crores to Rs.20.23 Crores, an increase in our installed capacity from 140,000 tpa to 180,000 tpa and reinforcement of our position as the second largest manufacturer of PET resin in India.

When was the last time
you downed a drink
straight from a bottle
that was made of glass?



Polyethylene Terephthalate (PET) has triggered a silent revolution in our lifestyles over the last decade by replacing the glass in our bottles.



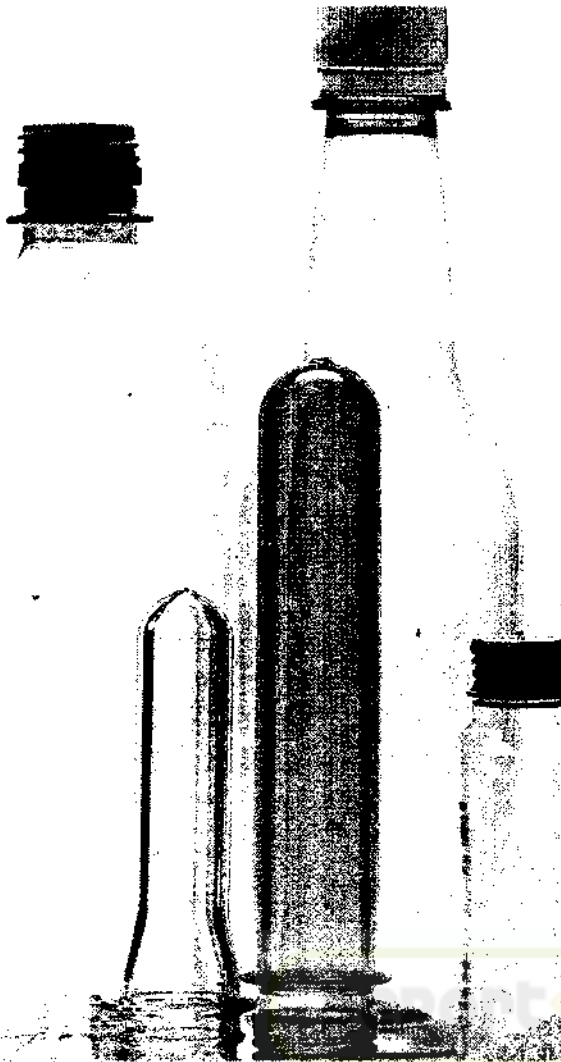
SAPL IS A FORWARD-LOOKING MANUFACTURER OF THE RAW MATERIAL (PET RESIN) THAT GOES INTO THE MANUFACTURE OF THESE RELATIVELY UNBREAKABLE BOTTLES.



The quality of its product is derived from state-of-the-art technology whose other special features comprise:

- **High asset utilisation:** Capacity utilisation higher than the industry average; the continuous process line increased capacity by 30% and solid-state poly-condensation increased capacity by 18%.
- **Efficient:** Five-reactor process superior at generating lower waste over the three reactor process; increased flexibility resulted in the savings of 20% in operational costs, 25% savings in turnaround time and lower conversion cost.
- **Customisation:** Introduced a speciality 20-litre jar grade for making large mineral water bottles for specialised packing.
- **Quality:** Complete automation, completely closed process, low air content and low polymer dust enhances product purity.

Going ahead, the Company is introducing a new solid-state poly-condensation line (capacity 9000 tpa) for the manufacture of specialty grade resins, which will improve production efficiency by matching the capacities of the continuous poly-condensation and SSP lines.



Footballers drink from PET water bottles. Hair oil comes in PET bottles. Medicines come in PET bottles. PET is everywhere.

Conventional material like glass and tin are being replaced by PET quicker than ever before.

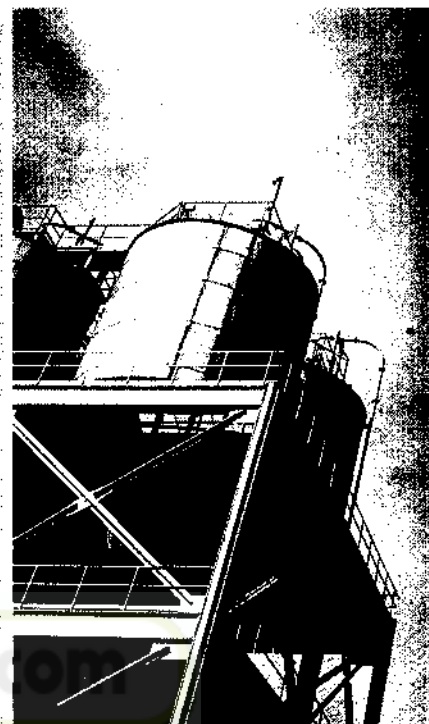


SAPL IS AN ATTRACTIVE PROXY OF THE GROWING DEMAND FOR PET RESIN AND DOWNSTREAM PACKAGING SOLUTIONS THE WORLD OVER.



- The 100% export oriented SAPL caters to demand emerging out of more than 60 countries the world over.
- Nearly 64% of the production was marketed to international customers in 2005-06; the global scope is increasing following the withdrawal of the anti-dumping duty on imported PET resin in the US; the Company has addressed this growing scope with the commissioning of a subsidiary in Atlanta from 2005-06 onwards.
- The Company has also emerged as a growing supplier of Indian needs, rising to 36% of its turnover in 2005-06.
- Over the years, SAPL's 'ASPET' brand has emerged as a trustmark of quality, consistency and excellence among reputed converters worldwide.
- SAPL has emerged as a trusted supplier of material, leveraging the proximate availability of raw material and its proximity to the Haldia port.
- SAPL has customised new PET resin grades like hot fill and others to address emerging applications; its diverse product portfolio encompasses a varied product mix to serve a growing market.

Each time you go to the super market to buy food and drink, aren't you surprised by the attractive colours, shapes and sizes of the bottles and boxes used to package them?



Time was when container glass was used to package processed food and drink. There is now a strong likelihood of PET having replaced glass completely across the world and in India.

