

Summary of meeting of analysts with company officials on 26.5.2006

The Company officials made the presentation attached and also mentioned the following during the discussions that followed:

- Sales increased from Rs699 crores to Rs830 crores, an increase of 19%. The Company is hoping to do Rs920 crores in the next year.
- PBT from operations increased from Rs19 crores to Rs33 crores.
- Non-recurring/Exceptional items increased PBT further to Rs83 crores.
- Gross profit (profit before depreciation and tax) moved up from Rs46 crores to Rs62 crores (excluding non-operational income).
- The profit was mainly driven through better performance by bulk chemicals, intermediates and polymers.
- Contribution currently is hovering around 29% to 30%.
- Many improvement projects have been completed during the year. Some projects are under consideration. The Company is in the process of further expanding its chosen products to further enhance its global market share.
- While rationalizing its manpower, the Company is also recruiting several professionals like PhDs, Scientists, Chemical Engineers, CAs and MBAs.
- The Company is amongst the largest producers of p-Cresol (last year the capacity was increased to about 12,000), p-Anisic Aldehyde and DDS in the world. It is also amongst the largest producers of 2,4D and vat dyes. The Company is currently number 4 in the world in the manufacture of herbicide and hoping to be number 2 in a short period of time. It has increased the capacity of Resorcinol to 1300 tonnes.
- The Company is introducing new brands in Agrochemicals and Polymers.
- The Company has put in place a dynamic, on-line, integrated ERP software to improve its response time and enhance customer servicing.
- Research, Technology and Marketing functions are being further strengthened.