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**BESCO LIMITED**

**Annual Report 2002-2003**



# BESCO LIMITED

## BOARD OF DIRECTORS

SHRI O. P. TANTIA	<i>(Managing Director)</i>
SHRI A. K. TANTIA	<i>(Joint Managing Director)</i>
SHRI M. S. TANTIA	<i>(Whole Time Director)</i>
SHRI S. S. CHAUDHRY	<i>(Whole Time Director)</i>
SHRI A. V. IYENGAR	
SHRI M. S. GUJRAL	
SHRI P. K. KHAITAN	
SHRI P. CHAKRAVARTI	
SHRI S. TANTIA	

## BANKERS

STATE BANK OF INDIA  
ALLAHABAD BANK  
STATE BANK OF BIKANER & JAIPUR

## AUDITORS

SINGHI & CO.  
CHARTERED ACCOUNTANTS

## REGISTERED OFFICE

7B & C, 'POONAM'  
5/2 RUSSEL STREET,  
KOLKATA-700 071

## WORKS

BALLYGUNGE, KOLKATA (WEST BENGAL)  
BARUIPUR, SOUTH 24-PARGANAS (WEST BENGAL)  
FARIDABAD, (HARYANA)



## NOTICE

Notice is hereby given that the Seventy-third Annual General Meeting of the Members of BESKO LIMITED will be held at the Registered office of the Company at 7B & C, "POONAM" 5/2 Russel Street. Kolkata - 700 071 on Wednesday, the 30th June, 2004 at 10.00 A.M. to transact the following business.

### AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet & Profit & Loss Account of the Company for the year ended 30th September, 2003 together with report of the Directors' and Auditors' thereon.
2. To Declare Dividend.
3. To appoint Director in place of Sri A.V. Iyenger, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Director in place of Sri M.S. Gujral, who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Auditors and fix their remuneration.
6. To consider and, if thought fit, to pass with or without modification(s), the following resolutions as Ordinary Resolution:-

"RESOLVED that Sri Prabir Chakravarty who was appointed as an Additional Director at the meeting of the Board of Directors held on 26.09.2003 and who hold office as such upto the date of ensuing Annual General Meeting and in respect of whom notice under section 257 of the Companies Act, 1956 has been received be and is hereby appointed as Director on the Board of the Company liable to retire by rotation."

"RESOLVED that Sri Sidharth Tantia who was appointed as an Additional Director at the meeting of the Board of Directors held on 04.06.2004 and who hold office as such upto the date of ensuing Annual General Meeting and in respect of whom notice under section 257 of the Companies Act, 1956 has been received be and is hereby appointed as Director on the Board of the Company liable to retire by rotation."

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

### AS A SPECIAL RESOLUTION

"RESOLVED that pursuant to the provisions of section 198,269,309 and 310 read with Schedule XIII and any other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the reappointment of Shri O. P. Tantia as Managing Director for a period of Five years with effect from 01.09.2004 on the remuneration, terms and conditions as set out in the Agreement entered into between Shri O. P. Tantia and the Company or as may be amended by the Board of Directors and agreed to by Shri O. P. Tantia from time to time within the said period of five years subject to maximum limits of salary, commission and perquisites laid down in Schedule XIII of the Companies Act, 1956 or any amendments thereto as may be made from time to time."

8. **AS A SPECIAL RESOLUTION**

"RESOLVED that pursuant to the provisions of section 198,269,309 and 310 read with Schedule XIII and any other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the reappointment of Shri A. K. Tantia as Joint Managing Director for a period of Five years with effect from 01.09.2004 on the remuneration, terms and conditions as set out in the Agreement entered into between Shri A. K. Tantia and the Company or as may be amended by the Board of Directors and agreed to by Shri A. K. Tantia from time to time within the said period of five years subject to maximum limits of salary, commission and perquisites laid down in Schedule XIII of the Companies Act, 1956 or any amendments thereto as may be made from time to time."

9. **AS A SPECIAL RESOLUTION**

"RESOLVED that pursuant to the provisions of section 198,269,309 and 310 read with Schedule XIII and any other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the reappointment of Shri M. S. Tantia as Wholetime Director for a period of Five years with effect from 01.09.2004 on

the remuneration, terms and conditions as set out in the Agreement entered into between Shri M. S. Tania and the Company or as may be amended by the Board of Directors and agreed to by Shri M. S. Tania from time to time within the said period of five years subject to maximum limits of salary, commission and perquisites laid down in Schedule XIII of the Companies Act, 1956 or any amendments thereto as may be made from time to time."

**10. AS A SPECIAL RESOLUTION**

"RESOLVED that pursuant to the provisions of section 198,269,309 and 310 read with Schedule XIII and any other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the reappointment of Shri S. S. Chawdhry as *Wholetime Director* for a period of Three years with effect from 01.06.04 on the remuneration, terms and conditions as set out in the Agreement entered into between Shri S. S. Chawdhry and the Company or as may be amended by the Board of Directors and agreed to by Shri S. S. Chawdhry from time to time within the said period of three years subject to maximum limits of salary, commission and perquisites laid down in Schedule XIII of the Companies Act, 1956 or any amendments thereto as may be made from time to time."

Registered Office :  
7B & C, "POONAM"  
5/2, Russel Street,  
Kolkata-700 071  
4th June, 2004

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By Order of the Board  
For BESCO LIMITED

**VIKAS SHARMA**  
Company Secretary &  
Finance Executive

**NOTES :**

1. A member entitled to attend and to vote is entitled to appoint a proxy to attend and to vote instead of himself and the proxy need not be a member of the company. 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 meeting.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the items of Special Business is annexed hereto.
3. Shareholders are requested to bring their copy of Annual report to the meeting.
4. Members / proxies should fill the attendance slip for attending the meeting.
5. Corporate Members are requested to send a duly certified copy of Board Resolution authorising their representative to attend and vote at the Annual General Meeting.
6. Pursuant to the provision of section 205(5) of the companies Act, 1956 dividend for the financial year ended 30th September, 1997 and thereafter, which remains unpaid or unclaimed for a period of 7 years will be transferred by the company to the Investor Education and Protection Fund (IEP FUND) established by the Central Government pursuant to sec 205C of the Companies Act, 1956.
7.

Financial Year	Date of declaration of Dividend	Due date for transfer to IEP Fund
30.09.1997	28.03.1998	15.05.2005
30.09.1998	26.03.1999	13.05.2006
30.09.1999	29.02.2000	17.04.2007
30.09.2000	25.04.2000	12.06.2007
30.09.2001	30.03.2002	05.05.2009
30.09.2002	30.06.2003	05.08.2010

**ANNEXURE TO NOTICE**

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

**ITEM NO. 7**

Shri O. P. Tantia was appointed as the Managing Director of the Company for a period of 5 (Five) years with effect from 01.09.99. His term will be expiring on 31st August, 2004.

Shri O. P. Tantia has been associated with the management of the Company for over 41 years and with his

technical knowledge and leadership, the Company has made substantial progress. Your Directors strongly believe that his services should continue to be available to the Company and have accordingly re-appointed him as Managing Director for a further period of 5 (Five) years with effect from 01.09.04 subject to approval of the Shareholders in General Meeting, on the remuneration and terms for the first two years as detailed below with liberty to the Board to fix remuneration and other terms for the balance period after the expiry of first two years, within the limits laid down in Schedule XIII of the Companies Act, 1956.

**1. Period**

5 (five) years with effect from 01.09.2004.

**2. Remuneration**

- a) **SALARY** : Basic salary beginning at Rs.64000/- (Rupees Sixty Four Thousand only) per month in the first year and for the second year in the scale of Rs.64000 -10000 - 74000.
- b) **COMMISSION** : Subject to provisions of Section 198, 309 and other applicable provisions of the Companies Act, if any, in case of sufficient profits, Managing Director will also be paid commission @1% of such profits.

**3. Perquisites**

In addition to the above salary Shri O.P.Tantia shall also be entitled to the following perquisites as detailed in the Category (A),(B) & (C).

**CATEGORY - "A"**

- a) **House Rent Allowance** : Rs.18000/-(Rupees Eighteen Thousand only) per month.
- b) **Medical Reimbursement**: Actual medical expenses incurred by the Managing Director and his family comprising of spouse, dependent children and dependent parents, subject to a ceiling of Rs.20000/- p.a. with accumulation allowed as per rules of the Company.
- c) **Leave Travel Concession** : Reimbursement of actual expenses incurred on leave travel by the Managing Director and his family once a year in accordance with the Rules of the Company subject to a ceiling of 15 days salary in a year or two month's salary over a period of 4 years.
- d) **Personal Accident Insurance** : Reimbursement or payment of Medical Insurance and Personal Accident Insurance Premium for the Managing

Director and his family, the annual premium of which shall not exceed Rs.12000/- (Rupees Twelve Thousand only).

- e) Furniture/Soft Furnishing : The expenditure incurred by the Managing Director at his place of residence towards Furniture/Soft Furnishing on actual basis, subject to a ceiling of 15 days' Salary in the year with accumulation allowed as per rules of the Company.
- f) Club Fees : Actual Fee for a maximum of two Clubs excluding Admission or Life Membership Fee.

#### **CATEGORY - "B"**

- a) Provident Fund : Company's Contribution to Provident Fund @ 12% of Salary or as may be revised by the Government from time to time and subject to the Company's rules.
- b) Superannuation/Pension Fund : Company's contribution to Pension and/or Superannuation Fund, subject to a ceiling of 15% of Salary of the Managing Director or as may be revised by the Government from time to time.
- c) Gratuity : Payable in accordance with approved fund not exceeding half a month's salary for each completed year of service, subject to statutory ceiling as may be applicable from time to time.

#### **CATEGORY - "C"**

- a) Company's Car : Provision of Company's Car with Driver for use on Company's business.
- b) Telephone : Free Telephone facility at residence for use on Company's business.

#### **4. General**

- a) ENTERTAINMENT EXPENSES : Reimbursement of entertainment expenses actually incurred in the course of legitimate furtherance of Company's business.
- b) LEAVE : One month's leave with full pay for every eleven month's service, accumable and encashable if not availed as per Rules of the Company.

A copy of agreement entered between Shri O.P.Tantia and the Company is available for inspection by the Members at the Registered Office of the Company on any working day during the usual business hours and will also be available at the Meeting.

Directors recommend this resolution for approval.  
None of the Directors except Shri O. P. Tantia himself

and Shri A. K. Tanita, Shri M. S. Tantia and Shri Sidharth Tantia (relatives of Shri O. P. Tantia) are concerned or interested in the Resolution.

#### **ITEM NO. 8**

Shri A.K.Tantia was appointed as the Joint Managing Director of the Company for a period of 5 (Five) years with effect from 01.09.99. His term will be expiring on 31st August, 2004.

Shri A.K.Tantia has been associated with the management of the Company for over 33 years and with his rich experience in marketing, finance, accounts and general management, the Company has gained. Your Directors strongly believe that his services should continue to be available to the Company and have accordingly re-appointed him as Joint Managing Director for a further period of 5 (Five) years with effect from 01.09.04 subject to approval of the Shareholders in General Meeting, on the remuneration and terms for the first two years as detailed below with liberty to the Board to fix remuneration and other terms for the balance period after the expiry of first two years, within the limits laid down in Schedule XIII of the Companies Act, 1956.

##### **1. Period**

5 (five) years with effect from 01.09.2004.

##### **2. Remuneration**

- a) SALARY : Basic salary beginning at Rs. 54000/- (Rupees Fifty Four Thousand only) per month in the first year and for the second year in the scale of Rs. 54000 - 10000 - 64000.
- b) COMMISSION : Subject to provisions of Section 198, 309 and other applicable provisions of the Companies Act, if any, in case of sufficient profits, Joint Managing Director will also be paid commission @1% of such profits.

##### **3. Perquisites**

In addition to the above salary Shri A. K. Tantia shall also be entitled to the following perquisites as detailed in the Category (A), (B) & (C).

#### **CATEGORY - "A"**

- a) House Rent Allowance : Rs.15000/- (Rupees Fifteen Thousand only) per month.
- b) Medical Reimbursement: Actual medical expenses incurred by the Joint Managing Director and his family comprising of spouse, dependent children





and dependent parents, subject to a ceiling of Rs.20000/- p.a. with accumulation allowed as per rules of the Company.

- c) Leave Travel Concession : Reimbursement of actual expenses incurred on leave travel by the Joint Managing Director and his family once a year in accordance with the Rules of the Company subject to a ceiling of 15 days' salary in a year or two month's salary over a period of 4 years.
- d) Personal Accident Insurance : Reimbursement or payment of Medical Insurance and Personal Accident Insurance Premium for the Joint Managing Director and his family, the annual premium of which shall not exceed Rs.12000/- p.a. (Rupees Twelve Thousand only).
- e) Furniture/Soft Furnishing: The expenditure incurred by the Joint Managing Director at his place of residence towards Furniture/Soft Furnishing on actual basis, subject to a ceiling of 15 days' salary in the year with accumulation allowed as per rules of the Company.
- f) Club Fees : Actual Fee for a maximum of two Clubs excluding Admission or Life Membership Fee.

#### CATEGORY - "B"

- a) Provident Fund : Company's Contribution to Provident Fund @ 12% of Salary or as may be revised by the Government from time to time subject to the Company's Rules.
- b) Superannuation/Pension Fund : Company's contribution to Pension and/or Superannuation Fund, subject to a ceiling of 15% of Salary of the Joint Managing Director or as may be revised by the Government from time to time.
- c) Gratuity : Payable in accordance with approved fund not exceeding half a month's salary for each completed year of service, subject to statutory ceiling as may be applicable from time to time.

#### CATEGORY - "C"

- a) Company's Car : Provision of Company's Car with Driver for use on Company's business.
  - b) Telephone : Free Telephone facility at residence for use on Company's business.
4. **General**
- a) ENTERTAINMENT EXPENSES: Reimbursement of entertainment expenses actually incurred in the course of legitimate furtherance of Company's business.

- b) LEAVE : One month's leave with full pay for every eleven month's service, accumulable and encashable if not availed as per Rules of the Company.

A copy of agreement entered between Shri A. K. Tania and the Company is available for inspection by the Members at the Registered Office of the Company on any working day during the usual business hours and will also be available at the Meeting.

Directors recommend this resolution for approval.

None of the Directors except Shri A.K.Tania himself and Shri O. P. Tania, Shri M. S. Tania Shri Sidharth Tania (relatives of Shri A. K. Tania) are concerned or interested in the Resolution.

#### ITEM NO. 9

Shri M. S. Tania was appointed as the Wholetime Director of the Company for a period of 5 (Five) years with effect from 01.09.99. His term will be expiring on 31st August, 2004, and directors strongly feel that in the interest of the Company his services should be continued and have accordingly re-appointed him as Wholetime Director for a further period of 5 (Five) years with effect from 01.09.04 subject to approval of the Shareholders in General Meeting, on the remuneration and terms for the first two years as detailed below with liberty to the Board to fix remuneration and other terms for the balance period after the expiry of first two years, within the limits laid down in Schedule XIII of the Companies Act, 1956.

##### 1. Period

5 (five) years with effect from 01.09.2004.

##### 2. Remuneration

- a) SALARY : Basic salary beginning at Rs.33000/- (Rupees Thirty Three Thousand only) per month in the first year and for the second year in the scale of Rs.33000-10000-43000.

##### 3. Perquisites

In addition to the above salary Shri M.S.Tania shall also be entitled to the following perquisites as detailed in the Category (A), (B) & (C).

#### CATEGORY - "A"

- a) House Rent Allowance : Rs.9000/- (Rupees Nine Thousand only) per month.
- b) Medical Reimbursement : Actual medical expenses

incurred by the Whole Time Director and his family comprising of spouse, dependent children and dependent parents, subject to a ceiling of Rs.20000/- p.a. with accumulation allowed as per rules of the Company.

- c) Leave Travel Concession : Reimbursement of actual expenses incurred on leave travel by the Whole Time Director and his family once a year in accordance with the Rules of the company subject to a ceiling of 15 days salary in a year or two month's salary over a period of 4 years.
- d) Personal Accident Insurance : Reimbursement or payment of Medical Insurance and Personal Accident Insurance Premium for the Whole Time Director and his family, the annual premium of which shall not exceed Rs.12000/- (Rupees Twelve Thousand only).
- e) Furniture/Soft Furnishing : The expenditure incurred by the Whole Time Director at his place of residence towards Furniture/Soft Furnishing on actual basis, subject to a ceiling of 15 days' salary in the year with accumulation allowed as per rules of the Company.
- f) Club Fees : Actual Fee for a maximum of two Clubs excluding Admission or Life Membership Fee.

#### CATEGORY - "B"

- a) Provident Fund : Company's Contribution to Provident Fund @ 12% of Salary or as may be revised by the Government from time to time, subject to the Company's Rules.
- b) Superannuation/Pension Fund : Company's contribution to Pension and/or Superannuation Fund, subject to a ceiling of 15% of Salary of the Whole Time Director as may be revised by the Government from time to time.
- c) Gratuity : Payable in accordance with approved fund not exceeding half a month's salary for each completed year of service, subject to statutory ceiling as may be applicable from time to time.

#### CATEGORY - "C"

- a) Company's Car : Provision of Company's Car with Driver for use on Company's business.
  - b) Telephone : Free Telephone facility at residence for use on Company's business.
4. **General**
- a) ENTERTAINMENT EXPENSES: Reimbursement of entertainment expenses actually incurred

in the course of legitimate furtherance of company's business.

- b) LEAVE : One month's leave with full pay for every eleven month's service, accumulative and encashable if not availed as per Rules of the Company.

A copy of agreement entered between Shri M.S.Tantia and the Company is available for inspection by the Members at the Registered Office of the Company on any working day during the usual business hours and will also be available at the Meeting.

Directors recommend this resolution for approval.

None of the Directors except Shri M. S. Tantia himself and Shri O. P. Tantia, Shri A. K. Tantia and Shri Sidharth Tantia (relatives of Sri M. S. Tantia) are concerned or interested in the Resolution.

#### ITEM NO. 10

Sri S.S.Chawdhry was appointed as the Wholetime Director of the Company for a period of 3 (Three) years with effect from 01.06.04. His term expired on 31.05.04 and directors strongly feel that in the interest of the Company his services should be continued and have accordingly re-appointed him as a Wholetime Director, subject to approval of the shareholders in General Meeting, on the remuneration and terms for the year as detailed below within the limit laid down in Schedule XIII of the Companies Act, 1956.

##### 1. Period

3 (Three) years with effect from 01.06.2004.

##### 2. Remuneration

- a) SALARY : Basic Salary beginning at Rs.35000/- (Rupees Thirty Five Thousand only) per month in the first year

##### 3. Perquisites

In addition to the above salary Shri S. S. Chawdhry shall also be entitled to the following perquisites as detailed in the Category (A), (B) & (C).

#### CATEGORY - "A"

- a) Housing :
  - i) The expenditure by Company on leasing/ hiring the accommodation for the Whole Time Director at a cost not exceeding the following :




**BESCO LIMITED**

House/Lease Rent : Rs.25000/- (Rupees Twenty Five Thousand only) per month inclusive of Service & Maintenance Charges Subject to provision of Income tax in this regard for the first year.

- ii) The Company shall spend a sum not exceeding Rs.70000/- (Rupees Seventy thousand only) per annum for proper up-keep including soft furnishing of the Company's leased accommodation provided to the Whole Time Director.
- iii) The Company shall engage Sweeper for maintaining the Company's leased accommodation provided to the Whole Time Director at cost not exceeding Rs.1850/- (Rupees One Thousand Eight hundred Fifty only) per month.
- iv) The Company shall engage Care Taker / Watchman for Security of the Company's leased accommodation provided to the Whole Time Director at a cost not exceeding Rs.3400/- (Rupees Three thousand four hundred only) per month.
- b) Medical Reimbursement: Actual medical expenses incurred by the Whole Time Director and his family comprising of spouse, dependent children and dependent parents, subject to a ceiling of Rs.32200/- p.a. allowed as per rules of the Company.
- c) Leave Travel Concession: Reimbursement of actual expenses incurred on leave travel by the Whole Time Director and his family once a year in accordance with the Rules of the Company subject to a ceiling of one month's salary in a year
- d) Personal Accident Insurance: Reimbursement or payment of Personal Accident Insurance Premium for the Whole Time Director and his family, the annual premium of which shall not exceed

Rs.2800/- (Rupees Two Thousand Eight hundred only).

- e) Entertainment Allowance : Rs. 7500/- (Rupees Seven Thousand Five Hundred only) per month.
- f) Electricity & Gas Allowance : Rs. 5000/- (Rupees Five Thousand only) per month.

#### **CATEGORY - "B"**

- a) Provident Fund : Company's Contribution to Provident Fund @ 12% of Salary or as may be revised by the Government from time to time, subject to the Company's Rules.
- b) Gratuity : Payable in accordance with approved fund not exceeding half a month's salary for each completed year of service, subject to statutory ceiling as may be applicable from time to time.

#### **CATEGORY - "C"**

- a) Company's Car : Provision of Company's Car with Driver for use on Company's business.
- b) Telephone : Free Telephone facility at residence for use on Company's business.

#### **4. General**

- a) LEAVE: One month's leave with full pay for every eleven month's service, accumable and encashable if not availed as per Rules of the Company.

A copy of agreement entered between Shri S.S.Chawdhry and the Company is available for inspection by the Members at the Registered office of the Company on any working day during the usual business hours and will also be available at the Meeting.

Directors recommend this resolution for approval.

None of the Directors except Shri S.S.Chawdhry himself are concerned or interested in the Resolution.

Registered Office :  
7B & C, "POONAM"  
5/2, Russel Street,  
Kolkata-700 071  
4th June, 2004

By Order of the Board  
For BESCO LIMITED

**VIKAS SHARMA**  
Company Secretary &  
Finance Executive

## DIRECTORS' REPORT

Dear Shareholders

Your Directors have the pleasure in presenting their report together with the Audited Accounts for the year ended 30th September, 2003.

## FINANCIAL RESULTS

	(Rs. in Lacs)	
	2002-03	2001-02
Profit before interest, depreciation and tax	733.19	611.50
Less :		
Interest	147.09	183.53
Depreciation	215.03	362.12
Profit before tax	371.07	221.61
Provision for tax	(29.50)	(18.95)
Provision for tax (Deferred)	(17.17)	74.33
Tax Relating to earlier Years	(.94)	—
Profit after tax	323.46	276.99
Add : Balance Brought	257.80	67.12
Forward from previous year		
Amount available for appropriation :	581.26	344.11
Proposed Dividend	54.50	54.50
Tax on proposed dividend	7.15	6.81
Transfer to General Reserve	300.00	25.00
Surplus carried forward to next year	219.61	257.80

## DIVIDEND

Your Directors are pleased to recommend a dividend of Rs.1.25 per equity share subject to approval of the shareholders at the ensuing Annual General Meeting.

## MANAGEMENT DISCUSSION AND ANALYSIS

### OPERATION DURING THE YEAR

#### RAILWAY PRODUCT DIVISION

The overall performance considering the highly competitive environment and substantial increase in price of raw materials & input cost has been satisfactory.

The company's operating results would have been better had there not been substantial increase in the price of steel. Efforts are being made to achieve higher capacity utilisation by tapping both domestic & international markets so as to obtain better profitability.

The sustained efforts in increasing production, productivity and ensuring economy in administration and other functional areas of the company resulted in considerable saving in cost & increase in operational efficiency.

Your Directors are pleased to inform that first phase of railway siding work at Baruipur has been completed within time. Directors place sincere thanks & appreciation to the Railways.

## FOOD AND FLAVOUR BUSINESS

The overall performance of the division considering the highly competitive environment needs improvements, efforts are being made to find work for processing facilities. Company is also exploring possibilities of strategic tie up including setting up of distribution network for the products.

## REAL ESTATE DIVISION

In view of enthusiastic demand the company has developed another plot of land at Kolkata for residential flats construction and by the end of the accounting year 50% of the flat under development had been sold. The response has been encouraging.

## ROLLED PRODUCT DIVISION

The Company has been continuously attempting to improve employee skills & productivity, Industrial relation generally remained cordial & satisfactory. However one section of Workers union went on a strike in the division. Negotiation with the labour is on and settlement is expected to be concluded on this issue very soon.

## INFOTECH DIVISION

Directors are pleased to inform that the Company has diversified its business into Infotech taking up assignment of networking solution for UTP(Copper), Fibre optic and wireless components.

## FUTURE OUTLOOK

In order to retain its market share Indian Railways need to invest substantially in rolling stock particularly in Wagons and it is hoped that Railway will step up its procurement of Wagons and future outlook seems to be good. However much depends upon Government policy.

## EXPORT

In the era of globalisation your company has made tremendous efforts to obtain Export orders. Your Direc-