



MD	✓		BKC	✓
CS	✓		DPY	NA
RO	✓		DIV	NA
TRA	NA		AC	
AGM	✓	✓	SHI	
YE	✓			



# **DCL POLYESTERS LIMITED**

**Annual Report  
1997 - 98**

Report  Junction.com



**DCL  
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LIMITED**

### Board of Directors

M.B. Raju  
P. Venugopal Raju  
P.V.R. Raju  
Jaykrishna Harivallabhdas  
V.N. Nadkarni  
Dr. N.C.B. Nath  
G.K. Rathi  
A.V. Rajwade  
S. Srinivasan  
D.R. Mehta  
Khalid Hamad Al-Roumi  
D.R.K. Rao  
K. Jayabharath Reddy, IAS

Chairman & Managing Director  
Executive Director  
Wholtime Director (Exports & Projects)

Nominee Director of SICOM  
Nominee Director of IDBI  
Nominee Director of ICICI  
Nominee Director of KREIC

### Senior Executives

Dr. S. C. Basu  
V. Sambasiva Rao  
G.B.B. Babuji

Sr. Vice President (Works)  
Vice President (Finance)  
Company Secretary

### Auditors

M. Bhaskara Rao & Co.  
Chartered Accountants  
5-D, Fifth floor, "Kautilya"  
6-3-652, Somajiguda  
Hyderabad - 500 082.

### Bankers

State Bank of India  
State Bank of Patiala  
State Bank of Mysore  
State Bank of Travancore  
Andhra Bank  
Allahabad Bank  
ICICI Banking Corporation Ltd.

### Works

Dahali  
Mouda Taluq  
Nagpur Dist.  
Maharashtra State  
Pin - 441 104.

### Registered Office

8th Floor, "Deccan Chambers"  
6-3-666/B, Somajiguda  
Hyderabad - 500 082.

### Texturising Division

Rahadi  
Mouda Taluq  
Nagpur Dist.  
Maharashtra State  
Pin - 441 104.



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## Notice of the Twelfth Annual General Meeting

Notice is hereby given that the Twelfth Annual General Meeting of DCL POLYESTERS LIMITED will be held on Wednesday, the 19th day of August, 1998, at 3.00 p.m. at Bharatiya Vidya Bhavan, 'Kulapati Munshi Sadan', 5-9-1105, Bashirbagh, King Koti Road, Hyderabad - 500 029 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 1998, the Audited Balance Sheet as at that date and the Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Dr N C B Nath, who retires by rotation and is eligible for reappointment.
3. To appoint a Director in place of Mr Khalid Hamad Al-Roumi, who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Mr D R K Rao, who retires by rotation and is eligible for reappointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS:

6. To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:  
"RESOLVED THAT Mr. K Jayabharath Reddy, IAS, (an Additional Director appointed pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 110 of the Articles of Association of the Company) be and is hereby appointed as a Director of the Company pursuant to Section 255 of the Companies Act, 1956."
7. To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof for the time being in force) and

subject to the limits specified in Schedule XIII of the said Act; and subject to the approvals of the financial institutions, Mr M B Raju be and is hereby appointed as the Chairman & Managing Director of the Company for a period of 5 years with effect from 1st July, 1998 on the following terms and conditions:

Salary:

Rs. 1,00,000 per month

Commission:

Commission @ 1% of the net profits of the Company computed in the manner laid down in Section 309(5) of the Companies Act, 1956.

Perquisites and Allowances:

i. Housing:

a. The expenditure incurred by the Company on hiring accommodation for the Chairman & Managing Director shall be subject to a ceiling of 60% of salary over and above 10% payable by the Chairman & Managing Director himself.

b. Where accommodation in Company owned house is provided, the Chairman & Managing Director shall pay to the Company by way of rent 10% of salary.

c. Where the Company does not provide accommodation to the Chairman & Managing Director, House Rent Allowance may be paid by the Company in accordance with (a) above.

d. The expenditure incurred by the Company on gas, electricity, water and furnishing will be valued as per the Income Tax Rules, 1962. This will, however, be subject to a ceiling of 10% of salary of the Chairman & Managing Director.

ii. Medical Reimbursement:

Expenses incurred for self and family subject to a ceiling of one month's salary per year or three months' salary over a period of three years.

iii. Leave Travel concession:

For self and family once in a year in accordance with any rules specified by the Company.

iv. Club Fees:

Fees of Clubs subject to a maximum of two clubs; admission and life membership fees not being allowed.

v. Personal Accident Insurance:

For an amount as per the rules of the Company.



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**Other Perquisites:**

- i. Company's contribution towards Provident Fund as per rules of the Company.
- ii. Company's contribution towards Pension/ Superannuation Fund, as per rules of the Company.
- iii. Gratuity-payable in accordance with an approved scheme and shall not exceed one half month's salary for each completed year of service.

Contribution to Provident fund and Superannuation fund to the extent they are exempted under the Income Tax Act, 1961 and encashment of leave at the end of tenure will not be included in the computation of the ceiling on perquisites. Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. All long distance personal calls shall be duly logged and paid for by the Chairman & Managing Director. Earned/Privilege Leave on full pay and allowances as per rules of the Company. Leave accumulated but not availed of during his tenure may be allowed to be encashed as per the rules of the Company.

"RESOLVED FURTHER THAT where in any financial year, the Company has no profits or its profits are inadequate, the Company may pay to Mr M B Raju, remuneration by way of salary and allowances not exceeding the ceiling limit of Rs.10,50,000 per annum or Rs.87,500 per month and in addition thereto the perquisites not exceeding the limits specified under Section 11 of Part II of Schedule XIII of the Companies Act, 1956, including any statutory modification thereof, for the time being in force."

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

"RESOLVED THAT pursuant to Section 314 and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government, if necessary, the consent of the Company be and is hereby accorded for the promotion of Mr M R Raju, a relative of the Chairman & Managing Director, as Senior General Manager (Corporate Services), with effect from 1st April, 1998 on a basic salary of Rs.16,500/- together with the usual allowances, benefits, amenities and

facilities applicable to other employees occupying similar posts, with authority to the Management to sanction annually, at its discretion, increase in the remuneration payable upto a limit of 25% of the gross salary together with the usual allowances, benefits, amenities and facilities in accordance with the Company's rules and regulations, applicable to other employees occupying similar posts, as it may deem fit and proper."

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

"RESOLVED THAT in accordance with Section 81(1-A) and other applicable provisions if any, of the Companies Act, 1956 and in accordance with the existing guidelines of Securities and Exchange Board of India (SEBI) and subject to all consents and permissions required by law and subject to such conditions and modifications as may be imposed and accepted by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall include any Committee which the Board of Directors of the Company may constitute or may hereafter constitute) the consent of the Company be and is hereby accorded to the Board to offer and issue to Deccan Cements Limited, one of the present core promoters of the Company on private placement basis preferential allotment of 10,00,000 12% Cumulative Convertible Preference Shares (CCPS) of Rs.100/- each for cash on such terms and conditions as the Board may consider desirable in the best interests of the Company."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to settle all questions and matters arising out of, and incidental to the proposed offer and issue of CCPS and to take all steps which the Board, in its absolute discretion, considers necessary, proper or expedient for giving effect to the above resolution."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to make on its own accord or to accept such amendments, modifications, variations and alterations as the Government of India, Securities and Exchange Board of India and other financial institutions may stipulate in that behalf and to amend, modify, vary or alter all or any of the terms of the preferential issue on such terms as the Board may in its absolute



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discretion decide within the Guidelines of the Securities and Exchange Board of India."

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

"RESOLVED THAT pursuant to Section 94 and all other applicable provisions, if any, of the Companies Act, 1956, the existing Authorised Share Capital of the Company of Rs.125,00,00,000 (Rupees one hundred and twenty five crores only) divided into 12,00,00,000 (Twelve crores only) Equity Shares of Rs.10/- (Rupees ten only) each and 5,00,000 (five lakhs only) Cumulative Convertible Preference Shares of Rs.100/- (Rupees hundred only) each be and is hereby reclassified and divided into 10,00,00,000 (Ten crores only) Equity Shares of Rs.10/- (Rupees Ten only) each and 25,00,000 (Twenty five lakhs only) Cumulative Convertible Preference Shares of Rs.100/- (Rupees hundred only) each."

"RESOLVED FURTHER THAT pursuant to Section 16 and other applicable provisions if any, of the Companies Act, 1956, the existing clause V (A) of the Memorandum of Association of the Company be and is hereby amended to read as follows:

The Authorised Share Capital of the Company is Rs.125,00,00,000 (Rupees one hundred and twenty five crores only) divided into 10,00,00,000 (Ten crores only) Equity Shares of Rs.10/- (Rupees Ten only) each and 25,00,000 (Twenty five lakhs only) Cumulative Convertible Preference Shares of Rs.100/- (Rupees hundred only) each, with powers to increase or reduce in accordance with the provisions of the Companies Act, 1956."

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

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the existing Article 4 of the Articles of Association of the Company be and is hereby substituted with the following:

The Authorised Share Capital of the Company is Rs.125,00,00,000 (Rupees one hundred and twenty five crores only) divided into 10,00,00,000

(Ten crores only) Equity Shares of Rs.10/- (Rupees ten only) each and 25,00,000 (Twenty five lakhs only) Cumulative Convertible Preference Shares of Rs.100/- (Rupees hundred only) each, subject to any increase or reduction in accordance with the regulations of the Company and the legislative provisions for the time being in force in this behalf and the powers to divide the shares in the capital for the time being into equity share capital and preference share capital and attach thereto respectively any preferential, qualified or special rights, privileges or conditions."

By Order of the Board  
for **DCL POLYESTERS LIMITED**

Hyderabad.  
22nd June, 1998

**G B B BABUJI**  
Company Secretary

**Regd. Office:**  
8th Floor, "Deccan Chambers"  
6-3-666/B, Somajiguda  
Hyderabad - 500 082.

**Notes:**

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a Member of the Company.
2. Proxy, in order to be effective, must be deposited at the Company's Registered Office at 8th Floor, Deccan Chambers, 6-3-666/B, Somajiguda, Hyderabad - 500 082, not less than 48 hours before the meeting.
3. Members are requested to notify immediately any change in their address to the Company's Shares Department at the Registered Office with their ledger folio number(s).
4. The Register of Members and Share Transfer Books of the Company will be closed from 13th August, 1998 to 19th August, 1998 (both days inclusive).
5. The Company has already transferred unclaimed dividend declared upto the financial year ended 31st March, 1994 to the General Revenue account of the Central government as required by the Company's Unpaid Dividend (transfer to General Revenue Account of Central Government) Rules, 1978. Those shareholders who have not claimed or collected their dividend upto the aforesaid



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financial year may claim their dividend from the Registrar of Companies, Andhra Pradesh, 3-5-398, II Floor, Kendriya Sadan, Sultan Bazar, Koti, Hyderabad - 500 001.

The unpaid dividend for the financial year ended 31st March, 1995 is also due for transfer to Central Government during the month of October, 1998. Members who have not encashed their Dividend Warrants for the aforesaid financial year are requested to contact the Share Department at the Registered Office of the Company for issue of Duplicate Dividend Warrants or for revalidation of the Dividend Warrants, as the case may be.

6. In order to service the Shareholders effectively and for administrative convenience, Members are requested to notify regarding multiple folios standing in their name for consolidation, to the Shares Department at the Registered Office of the Company immediately.

**Report**

#### **Annexure to Notice**

#### **Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956.**

##### **Item No.6**

Mr K Jayabharath Reddy, IAS, was appointed as an Additional Director by the Board of Directors at its meeting held on 27th November, 1997. According to the provisions of section 260 of the Companies Act, 1956, he holds office upto the date of the ensuing Annual General Meeting. As required under section 257 of the Companies Act, 1956, the Company has received a notice from a Member signifying her intention to propose the appointment of Mr K Jayabharath Reddy as a Director along with a deposit of Rs.500/-.

Mr K Jayabharath Reddy, belonging to the Indian Administrative Services (IAS) has over 34 years of rich and varied experience in General Administration, Financial and Industrial Management. He had held responsible positions such as Chief Secretary to the Government of Andhra Pradesh, as Secretary to the Government of India Ministry of Urban Development, Ministry of Finance, (Department of Insurance) and as Additional

Secretary, heading the Department of Banking and Department of Revenue, etc.

He was the Chairman and Director of large number of industrial companies including Central Public Sector Undertakings, besides being associated with the Board of Directors of Central Financial Institutions like the Industrial Development Bank of India (IDBI), Industrial Credit and Investment Corporation of India Ltd. (ICICI), National Housing Bank (NHB), Life Insurance Corporation of India (LIC), General Insurance Corporation of India (GIC), etc. He is now on the Board of several leading companies.

Your Board considered it expedient to appoint Mr K Jayabharath Reddy, IAS as a Director, whose vast industrial and administrative experience would give considerable strength to the Company.

Your Directors commend the resolution for your approval.

Excepting Mr K Jayabharath Reddy, no other Director is concerned or interested in the resolution.

##### **Item No.7**

Mr M B Raju is the Chairman & Managing Director of your Company. He was appointed as Managing Director for a period of 5 years with effect from 1st July, 1993. His term of appointment expires on 30th June, 1998.

Your Board considered the appointment of Mr M B Raju as Chairman & Managing Director for a further period of 5 years with effect from 1st July, 1998 on the terms and conditions set out in the notice.

Your Board considering Mr M B Raju's significant contribution and able administration which is of great value to the Company, commends the resolution for your approval.

The proposed resolution set out at item No.7 and this explanatory statement may be treated as an abstract of terms and conditions of the appointment of Mr M B Raju as Chairman & Managing Director in terms of Section 302 of the Companies Act, 1956.

Excepting Mr M B Raju himself and Mr P Venugopal Raju and Mr PVR Raju, being relatives of Mr M B Raju, no other Director is interested in this resolution.

##### **Item No.8**

Mr M R Raju, a relative of Mr M B Raju, Chairman & Managing Director, has been working in the Company for the last 10 years and taking care of the



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corporate services like co-ordination, follow up with Government and Government Bodies.

His contribution during the implementation of the project and subsequent operations is exemplary. Consequent to the increased work on account of existing operations and the ongoing expansion plans, it has been decided to elevate Mr M R Raju to the position of Senior General Manager (Corporate Services) after careful review of his performance.

Under the prevailing provisions of section 314 (1B) of the Act, approvals of the Shareholders and Central Government are necessary if the remuneration payable to a relative of a Director exceeds Rs. 20,000/-. Since the remuneration payable to Mr M R Raju would exceed the limit of Rs.20,000/- per month, approval is being sought for the payment of remuneration set out in resolution No.8 of the Notice, which is similar to that paid to others holding identical positions.

Your Directors commend the resolution for your approval.

None of the Directors excepting Mr M B Raju, is interested in the resolution.

#### **Item No.9**

The Company is embarking upon expansion plans and expanding its capacity by installing 4 additional spinning lines to utilise the surplus polymerisation capacity and conversion of the DG set for the use of fuel oil.

The total cost of the expansion and conversion of DG set is estimated at Rs.65 crores, out of which Rs.45 crores will be met through term loans from Financial Institutions and the balance by way of Promoters' contribution.

As a part of Promoters' contribution and as stipulated by the financial institutions, it is proposed to issue 10,00,000 Cumulative Convertible Preference Shares (CCPS) of Rs.100/- each to Deccan Cements Limited (DCL), the core promoter of the Company. The subscription to CCPS by DCL not only contribute to the promoters' share of contribution for the expansion scheme of the Company but also aids in consolidating their equity stake in the best interests of the Company.

The proposed issue of 10,00,000 CCPS of Rs.100/- each will be converted within a period of 18 months from the date of allotment in accordance

with the Securities and Exchange Board of India Guidelines in relation to preferential issue dated 4th August, 1994.

After the conversion of CCPS into equity shares, the existing shareholding of 11.42% of DCL will be increased to 24.49% of the enhanced paid up equity share capital of the Company.

Your Directors commend the resolution for your approval.

None of the Directors is particularly interested in the resolution.

#### **Item Nos.10 and 11**

The existing Authorised Share Capital of the Company is Rs.125,00,00,000 divided into 12,00,00,000 Equity Shares of Rs.10/- each and 5,00,000 Cumulative Convertible Preference Shares of Rs.100/- each.

The Company to raise a part of promoters' contribution for financing the expansion scheme is proposing to issue 10,00,000 Cumulative Convertible Preference Shares (CCPS) of Rs.100/- each aggregating to Rs.10 crores to Deccan Cements Ltd.(DCL) on private placement basis.

As the existing provision for CCPS in the Authorised Share Capital does not suffice to meet the proposed issue to DCL. It is therefore, proposed to reclassify the existing Share Capital of the Company without increasing the Share Capital of the Company further.

The reclassified Authorised Share Capital of the Company will be Rs.125 crores divided into 10,00,00,000 Equity Shares of Rs.10/- each and 25,00,000 Cumulative Convertible Preference Shares of Rs.100/- each.

Your Directors commend the resolutions for your approval.

None of the Directors is interested in the resolutions.

By Order of the Board  
for **DCL POLYESTERS LIMITED**

Hyderabad,  
22nd June, 1998

**G B B BABUJI**  
Company Secretary

**Regd. Office:**  
8th Floor, "Deccan Chambers"  
6-3-666/B, Somajiguda  
Hyderabad - 500 082.



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### Directors' Report

Your Directors present this Twelfth Annual Report together with the Audited Accounts and the Report of the Auditors for the year ended 31st March, 1998.

#### Operational Results :

	1997-98	1996-97
	Quantity in Tonnes	
<b>Production</b>		
Polyester Filament Yarn	31117	29024
Draw Texturising/Twisted Yarn	4625	2383
Polyester Chips	2056	5528
<b>Sales</b>		
Polyester Filament Yarn	31175	28519
Draw Texturising/Twisted Yarn	4612	2336
Polyester Chips	2667	5672

#### Financial Results :

	1997-98	1996-97
	Rupees in Crores	
Gross Turnover	299.35	322.42
Turnover net of Excise duty and Sales tax	224.77	223.91
Other Income	4.61	6.32
Total Expenditure	197.62	201.34
Profit before interest and depreciation	31.76	26.89
Interest	25.97	26.52
* Depreciation	15.73	15.29
Provision for Taxation	—	—
Profit/(Loss) after Tax	(9.94)	(12.92)
Add : Balance brought forward from the previous years	1.95	14.87
Net Profit available for appropriation/ (Net Loss)	(7.99)	1.95

\* On straight line basis

#### Review of Operations for the Year 1997-98:

The recessionary conditions and imbalances in demand and supply position in the Polyester Industry continued unabated during the year under review.

The creation of additional capacity during the last two years has resulted in over-supply situation. The problem was further compounded by the threat of cheaper imports from South-East Asian Countries. This has necessitated the industry to price the products competitively which were not remunerative. Despite severe competition, the performance of your Company was satisfactory in terms of production and sales volumes of PFY and PTY which registered an increase of 14% and 16% respectively over the previous year.

The critical success factors for your Company are: employing latest continuous polycondensation technology to manufacture PFY at a lower cost and with minimum wastage, an assured supply of PTA and MEG, the two major raw materials for PFY, and strong marketing and distribution network.

As sustained production is vital to survival, your Company during the year under review, maintained a high level of production and productivity and sales, despite the difficult market conditions. Further your Company as a part of cost reduction exercise, has taken up economy measures and effected substantial savings on the variable cost front.

Despite prudent steps taken by your Company to encounter the adverse market conditions prevailing in the polyester industry, your Company was left with no alternative but to end with a negative result for the year 1997-98 as well. Your Board therefore, in view of the loss on account of the unprecedented crisis prevailing in the polyester industry, is unable to recommend dividend for the year 1997-98.

#### Outlook for the Current Year :

The demand for PFY depends on its price, availability of substitute products, the growth in GDP and the consequent increase in the disposable income and per capita expenditure on clothing.

The man-made yarn has been replacing cotton yarn on account of its durability, lower prices and increase in its availability. Further the properties of PFY are superior to other man-made fibres and hence, its demand growth has been the fastest. The domestic demand for PFY has grown at a Compounded Annual Growth Rate (CAGR) of 18%.



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The rise in the total consumption of fibres and yarn together with an increase in the share of PFY in the total yarn consumption will provide a strong impetus to PFY demand in future.

As far as availability of raw materials is concerned, the supply position of both PTA and MEG is quite comfortable and therefore your Company does not foresee any problem with procurement of these raw materials.

With the increase in demand for PFY, on account of the conducive market conditions, it is expected that the demand and supply gap gets narrowed down and the industry is expected to come back to the normal situation by the end of the current financial year and the future outlook of the Company therefore is expected to be better.

#### **Expansion Plans :**

During the year under review, your Company has taken up modification and expansion schemes for optimising the Company's operations. The modification scheme envisages converting 3 of the 6 extruder lines to direct spinning lines at a cost of Rs.3.87 crores, resulting in saving in operating costs. The expansion scheme is to enhance the texturising capacity from 5000 tpa to 7500 tpa by adding 3 more texturising machines at an estimated cost of Rs.10.60 crores is to take advantage of the increased margins for texturised yarn. These schemes are expected to be completed by August, 1998.

Your Company has also proposed to expand its spinning capacity by about 10,000 tpa enhancing the total capacity upto 42,000 tpa at an estimated cost of Rs.65 crores by addition of 4 more spinning lines in order to take full advantage of the surplus polymerisation capacity available with the Company.

To meet the cost of the expansion, the requisite financial tie-ups are being made with the All India Financial Institutions to the extent of Rs.45 crores besides Rs.10 crores through internal accruals and the balance of Rs.10 crores is by way of issue of Cumulative Convertible Preference Shares to Deccan Cements Limited as a part of Promoters' Contribution. IDBI has since sanctioned an amount of Rs.25 crores and the balance is being tied up.

The expansion schemes would help in reducing the manufacturing cost thereby improving the profitability of the Company. The proposed expansion is expected to be completed by the end of 1999.

#### **Shifting of Registered Office :**

Your Directors wish to inform you that the shifting of the Registered Office of the Company from Nagpur in the State of Maharashtra to Hyderabad in the State of Andhra Pradesh has been confirmed by the Company Law Board, Western Region Bench, Mumbai in terms of Special Resolution passed by the Shareholders at the Annual General Meeting held on 11th September, 1997. The change of Registered Office of the Company has come into effect from 17th June, 1998.

#### **Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Expenditure :**

Information on conservation of energy, technology absorption, foreign currency earnings and outgo as required under Section 217 (1) (e) of the Companies Act, 1956, is set out in Annexure-I which forms part of this Report.

#### **Environment :**

Your Company is glad to report that it continues to ensure that the air, water and other environmental standards are achieved as per prescribed norms. Annexure-II to this report presents a summary of the standards achieved in relation to those prescribed.

#### **Fixed Deposits :**

The Company has not accepted any fixed deposits and the provisions of Section 58 A of the Companies Act, 1956 are not applicable to the Company.

#### **Insurance :**

All the properties of the Company including its buildings, plant and machinery and stocks have been adequately insured.

#### **Employee Relations :**

The employee relations continued to be cordial during this year also. During the year a fresh wage