



# Ecoplast Ltd.

## Thirtieth Annual Report 2011-2012

<b>Board of Directors</b>	PHEROZE .P. KHARAS - Chairman JAYMIN B. DESAI - Managing Director BANKIM B. DESAI - Director JEHANGIR .A. MOOS - Director DHANANJAY .T. DESAI - Director (Alternate to Mr.Bankim.B.Desai) MUKUL B.DESAI - Director BHUPENDRA M. DESAI - Director
<b>Compliance Officer</b>	M . D. Desai
<b>Bankers</b>	<b>Bank of Baroda</b> Main Branch, Nani Khatriwad, Valsad – 396 001, Gujarat.
<b>Auditors</b>	<b>M/s Akkad Mehta &amp; Company</b> Chartered Accountants Vatika Bldg. Flat No.2, 14 Baptista Road. Opp. Ishwarlal Park, Vile Parle (W), Mumbai – 400 056.
<b>Share Registrars &amp; Managers to the Fixed Deposit Scheme</b>	<b>TSR DARASHAW LTD.</b> 6-10, Haji Moosa Patrawala, Industrial estate, 20, Dr. E.Moses Road, Mahalaxmi, Mumbai – 400 011.
<b>Registered Office</b>	National Highway No.8, Water Works Cross Road, Abrama, Valsad – 396 002. Gujarat. email : <a href="mailto:ecoval@ecoplastindia.com">ecoval@ecoplastindia.com</a>
<b>Head Office</b>	4, Magan Mahal, 215, Sir.M.V.Road, Andheri (East), Mumbai : 400 069. email: <a href="mailto:ecobom@ecoplastindia.com">ecobom@ecoplastindia.com</a>
<b>Website</b>	: <a href="http://www.ecoplastindia.com">http://www.ecoplastindia.com</a>

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## NOTICE

Notice is hereby given that the THIRTIETH Annual General Meeting of the Company will be held at the The Club Resort, At & P.O.Vashier, Valsad - 396 001 on Saturday, 22<sup>nd</sup> September, 2012 at 11.30 a.m. to transact the following business :

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2012 and the Statement of Profit and Loss for the year ended on that date, together with the Reports of the Directors and the Auditors thereon.
2. To declare Dividend on Equity shares for the financial year ended 31<sup>st</sup> March, 2012.
3. To appoint a Director in place of Mr. Bhupendra M. Desai, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Mukul B. Desai, who retires by rotation and, being eligible, offers himself for reappointment
5. To appoint M/s Akkad Mehta & Co., Chartered Accountants (Firm Registration No 100259W), retiring Auditors of the Company, who are eligible for reappointment, as the Auditors of the Company from the conclusion of this Annual General Meeting until 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 a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (the "Act"), and subject to the approval of the Central Government where required, the Company in general meeting hereby approves the re-appointment of Mr. Jaymin B. Desai as Managing Director of the Company for a period of three years with effect from October 01, 2012 upon the terms and conditions including the terms as to remuneration approved by the remuneration committee and set out in the Agreement dated 11<sup>th</sup> August, 2012 (the "Agreement"), which Agreement as placed before this Meeting be and is hereby specifically approved with liberty to the Board of Directors of the Company (the "Board") to alter, vary and modify the terms and conditions of the said appointment and the

Agreement in such manner as may be agreed to between the Board and Mr. Jaymin B Desai.

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company during Mr. Jaymin B Desai's term of office as Managing Director the remuneration including perquisites and benefits as contained in the said agreement except commission shall be payable to him as minimum remuneration or as may be approved by the Central Government.

"RESOLVED FURTHER THAT in the event of any statutory amendment or relaxation by the Central Government to Schedule XIII of the Act, the Board be and is hereby authorised to vary or increase the remuneration including the perquisites within such prescribed limits or ceiling and the Agreement between the Company and Mr. Jaymin B. Desai be suitably amended to give effect to such modification, relaxation or variation without any further reference to the Company.

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, matters, deeds and things and to take such steps as expedient or desirable to give effect to this Resolution".

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

"RESOLVED THAT the consent of the Company be and is hereby accorded under Section 293(1)(d) of the Companies Act, 1956 to the Board of Directors of the Company for borrowing from time to time all such sums of money as they may deem requisite for the purpose of the business of the Company notwithstanding that moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the company's bankers in the ordinary course of business) will exceed the aggregate of the paid up capital of the Company and free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount upto which moneys may be borrowed by the Board of Directors shall not, at any time, exceed the sum of Rs. 50 Crores/- (Rupees Fifty Crores only) at any point of time exclusive of interest."

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

"RESOLVED THAT the consent of the Company, be and is hereby accorded under Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the Company to create/ provide any security and/ or charge and/ or hypothecate, on such terms and conditions and at such time or times, and in such form or manner, as it may think fit, any of the properties and/or any one or more of the undertakings of the Company including the present and/ or future properties whether movable or immovable, comprised in any existing undertaking or undertakings of the Company, as the case may be for the purpose of securing financial assistance not exceeding Rupees Fifty Crores only at any point of time by way of any of the following namely Term Loans in Indian Rupees and Foreign Currency, Export Credit, Equipment Credit Scheme, Leasing Credit Facilities or other facilities from the Financial Institutions and/or Bankers and/or any other parties together with interest thereon, commitment charges, liquidated damages, costs, charges, expenses and other moneys payable by the Company to the respective Financial Institutions and/ or Bankers and/or other parties in terms of their respective Loan Agreements/Deeds of Agreements/ Hypothecation Agreements/ Letters of Sanction/Memorandum of terms and conditions entered into or to be entered into by the Company in respect of the said financial assistance, such security to rank pari passu with or second or subservient to the mortgages and/ or charges and/ or hypothecation already created or to be created in future by the Company or in such other manner as may be agreed to between the concerned parties and as may be thought expedient by the Board of Directors."

**Notes:**

- a) 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. The proxy form duly completed must be returned so as to reach the registered office of the Company not less than 48 hours before the time fixed for holding the aforesaid meeting.
- b) The Register of Members and the Share Transfer books of the Company will remain closed from Saturday, 15<sup>th</sup> September, 2012 to Saturday, 22<sup>nd</sup> September, 2012 (both days inclusive).
- c) Members seeking further information on the financial accounts are requested to write to the Company at least seven days before the meeting, so that relevant information can be kept ready at the meeting.
- d) All correspondence relating to transfer of shares, change of address, dividend mandates etc. should be sent to the Registrar & Share Transfer agents quoting their folio numbers only at the following address:  
M/s TSR Darashaw Ltd., 6-10, Haji Moosa Patrawala, Industrial Estate, 20, Dr. E.Moses Road, Mahalaxmi, Mumbai – 400 011.
- e) In terms of Section 205A (5) of the Companies Act, 1956, dividends remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account of the Company shall be transferred by the Company to the Investor Education and Protection Fund established by the Central Government pursuant to sub-section (1) of Section 205C of the Companies Act, 1956. Members are requested to make their claim for payment of unpaid dividend without any delay. Members may please note that no claim of the transferred unclaimed / unpaid dividend shall lie against the above said fund or the Company after transfer of the amounts to the said fund.
- f) The Companies Act, 1956 provides facility for making nominations by shareholders in respect of their holding of shares. Such nominations facilitates transmission of shares from the deceased shareholder to his / her nominee without going through the time consuming and cumbersome process of obtaining Succession Certificate / Probate or the Will. It would, therefore, be in the best interest of the shareholders holding shares in physical form as sole registered holders to make such nominations without any delay. Nominations will have to be made in the prescribed Form – 2B (see rule 5D & Form no: 2B). It may be noted that for shares held in electronic form, the concerned shareholders have to register their nominations directly with their respective depository participants.
- g) The relative explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the special business at item nos 6, 7 & 8 are annexed hereto.

**For and on behalf of the Board of Directors**

**J.B.Desai**  
Managing Director

Mumbai, 11<sup>th</sup> August, 2012

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## ANNEXURE TO NOTICE

### Explanatory Statement as required by Section 173 of the Companies Act, 1956

#### Item No. 6

The Board of Directors of the Company (the "Board") has by a resolution passed on 11<sup>th</sup> August, 2012, re-appointed Mr. Jaymin B. Desai as Managing Director of the Company for a further period of three years with effect from October 01, 2012. The re-appointment of Mr. Jaymin B. Desai and the remuneration payable to him on his re-appointment is subject to the approval of the Members of the Company and of the Central Government if required. The material terms of the Agreement dated 11<sup>th</sup> August, 2012 entered into by the Company with Mr. Desai for the said reappointment referred to in the Resolution at Item No. 6 of the accompanying Notice are as follows:-

- a) SALARY: Rs. 2,50,000/- per month with such increments, effective 1<sup>st</sup> October every year, as may be decided by the Board of Directors of the Company within the scale of Rs. 2,50,000/- to Rs. 3,50,000/- per month during the tenure of his appointment.
- Commission: Commission at 1% on Net Profits of the Company computed in the manner laid down in Section 349 of the Companies Act, 1956 subject to the ceiling limits laid down in Sections 198 and 309 of the Companies Act, 1956.
- b) Perquisites: In addition to the aforesaid Salary and commission the Managing Director shall be entitled to the following perquisites:
- Payment/reimbursement of actual medical expenses incurred for self and family.
  - Reimbursement of Medical Insurance premium not exceeding Rs. 25,000 per annum.
  - Personal Accident Insurance policy to cover the risk up to an annual premium not exceeding a sum of Rs. 10,000
  - Reimbursement of Leave Travel expenses as per rules of the Company for self and family not exceeding Rs 1,50,000 per annum

The above perquisites shall be evaluated as per the Income tax Rules wherever applicable. In the absence of such rules, perquisites will be evaluated at actual costs.

Notwithstanding anything to the contrary here in contained,

where, in any financial year during the currency of the tenure of Mr. J B Desai as the Managing Director, the Company has made no profits or its profits are inadequate, the Company shall pay to the Managing Director, the above Salary and perquisites except commission, as Minimum Remuneration or as may be approved by the Central Government.

- c) The Managing Director shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified herein above :
- Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961.
  - Gratuity payable at the rate not exceeding half a month's Salary for each completed year of service.
  - Earned privilege leave at the rate of one month's leave for every eleven months of service. The Managing Director shall be entitled to encash leave at the end of his tenure as Managing Director.
  - Provision for Car including driver's salary and Telephone at the residence of the Managing Director and mobile phone for the business of the Company shall not be treated as perquisites.

All income tax and other impositions, if any, in respect of Mr. Jaymin B. Desai's remuneration shall be calculated by the Company and deducted in accordance with the applicable provisions of the Income tax law for the time being in force.

- (d) Mr. Jaymin B. Desai shall perform such duties and exercise such powers as may be from time to time delegated to him by the Board of Directors of the Company
- (e) Mr. Jaymin B. Desai shall devote all the time required for the business of the Company and do his utmost to advance its interest and shall exercise all his powers subject to the superintendence and control of the Board of Directors of the Company.
- (f) Mr. Jaymin B. Desai during the currency of the Agreement shall not disclose or give information regarding the affairs of the Company to any other person.

- (g) Mr. Jaymin B. Desai shall not after the termination of this agreement represent himself as being in any way connected with or interested in the business of the Company.
- (h) The Company shall be entitled to terminate the Agreement in the event of Mr. Jaymin B. Desai found guilty of misconduct or negligence in the discharge of his duties.
- (i) Mr. Jaymin B. Desai shall cease to be a Managing Director of the Company if he ceases, for whatever reason, to be a Director of the Company.
- (j) Either party shall be entitled to terminate the Agreement by giving the other party not less than three calendar months notice in writing without showing any cause.
- (k) The agreement supercedes all prior agreements, arrangements or understandings whether oral or in writing.

**Additional information required to be given alongwith a Notice calling General Meeting as per sub para (B) of para 1 of Section II of Part II of Schedule XIII of the Companies Act, 1956 is given hereunder:**

**I. General Information:**

- (1) Nature of industry Manufacturing Industry - Plastics
- (2) Date or expected date of commencement of commercial production The Company has been in the business for many years
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. Not Applicable

- (4) Financial performance based on given indicators

	2011-2012	2010-2011	2009-2010
			(Rs. in lacs)
Turnover	<b>5971.70</b>	6606.14	4847.17
Net profit (as computed under section 198)	<b>279.57</b>	468.10	246.83
Net profit/ (Loss) as per profit and loss account	<b>179.37</b>	305.58	130.29
Amount of Dividend paid	<b>41.84</b>	94.45	62.97
Rate of Dividend declared	<b>12%</b>	27%	18%
Earning before interest, depreciation & taxes	<b>565.81</b>	673.96	431.21
% of EBIDT to turnover	<b>9.47</b>	10.20	8.90

- (5) Export performance and net Foreign exchange collaborations

Exports	<b>787.39</b>	1507.72	1342.98
Foreign Collaborations	<b>Not Applicable</b>	Not Applicable	Not Applicable

- (6) Foreign investments or collaborators, if any.

Not Applicable

**II. Information about the appointee:**

- (1) Background details
- Name:** Mr. Jaymin B. Desai
- Designation:** Managing Director
- Father's name:** Balwantraj Desai
- Nationality:** Indian

	<b>Date of Birth:</b> 30.09.1960
	<b>Qualifications:</b> B.E (Chemical)
	<b>Experience:</b> Over 27 years
(2) Past remuneration	The gross remuneration paid to him in the year 2011-2012 was Rs. 17.23 lacs per annum.
(3) Recognition or awards	Nil
(4) Job profile and his suitability	The Managing Director shall be responsible for the management of the whole of the affairs of the Company and to do all acts and things, which, in the ordinary course of business, he considers necessary or proper or in the interest of the Company. Considering the above and having regard to age, qualifications, ability and experience and looking to the business requirement the proposed remuneration is in the interest of the Company.
(5) Remuneration proposed	A gross remuneration not exceeding Rs. 60.44 lacs per annum plus incentives as may be decided by the Board of directors.
(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w. r. t. the country of his origin)	Compared to the remuneration with respect to the industry, size of the Company etc. the remuneration proposed to be paid is very low.
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	The Managing Director has no other pecuniary relationship with the Company or with the managerial personnel except the remuneration being paid to him as Managing Director of the Company.
<b>III. Other information:</b>	
(1) Reasons of loss or inadequate profits	Economic Slowdown and competition
(2) Steps taken or proposed to be taken for improvement	Capacity Expansion and adding new products
(3) Expected increase in productivity and profits in measurable terms.	With above steps profitability is expected to increase by 10 %
<b>IV. Disclosures:</b>	
The remuneration package of Mr. Jaymin B. Desai and other details such as remuneration, service contract, notice period etc. have been disclosed above. The Company does not have any scheme for grant of stock options.	The above may be treated as an abstract of the terms of re-appointment and remuneration payable to Mr. Jaymin B. Desai, as Managing Director as contained in the said agreement pursuant to Section 302 of the Act.
The Board commends the approval by the members of the re-appointment of Mr. Jaymin B. Desai as Managing Director and payment of remuneration to him.	Mr. Jaymin B. Desai is concerned or interested in the said Resolution at item no. 6 of the accompanying notice as it relates to his own re-appointment.
	The Agreement dated 11 <sup>th</sup> august, 2012, referred to in the

Resolution at Item no. 6 of the accompanying Notice is open for inspection by the members at the Registered Office of the Company between 11.00 a. m. to 1.00 p. m. on any working day of the Company except Saturday and Sunday.

**Item No. 7**

The company may have to from time to time borrow funds from bankers and financial institutions and also from other parties for meeting its business requirements. Section 293 (1) (d) of the Companies Act, 1956 requires the Board of Directors of the Company to obtain members' approval to borrow monies (excluding temporary loans obtained from the Company's bankers in the ordinary course of business).

in excess of the aggregate of the paid-up share capital and its free reserves, that is to say reserves not set apart for any specific purpose.

An ordinary resolution under Section 293(1) (d) of the Companies Act, 1956 is therefore proposed at item no 7 of the accompanying notice for approval by the Shareholders.

None of the Directors of the Company is interested in the said resolution.

**Item No. 8**

The proposed loans from the Banks, financial institutions or other parties may be secured by mortgaging or charging the moveable and/or immovable assets of the Company.

Section 293(1)(a) of the Companies Act, 1956 provides that the Board of Directors of the Public Company shall not except with the consent of such Public Company in general meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company, or where the Company has more than one undertaking of the whole, or substantially the whole of any such undertaking. Since mortgage of the Company's property may be considered as disposal of the Company's properties, it is considered desirable that the members give their consent for the creation of mortgage/ charge as described above.

An ordinary resolution under Section 293(1) (a) of the Companies Act, 1956 is therefore proposed at item no 8 of the accompanying notice for approval by the Shareholders.

None of the Directors of the Company is interested in the said resolution.

**For and on behalf of the Board of Directors**

**J.B.Desai**  
Managing Director

Mumbai, 11<sup>th</sup> August, 2012



**FINANCIAL HIGHLIGHTS****(Rs.'000)**

	<b>31.03.2012</b>	31.03.2011	31.03.2010	31.03.2009	31.03.2008	
<b>OPERATION</b>						
Sales (Net)	<b>597,170</b>	660,615	484,717	318,030	371,583	
Other Income	<b>1,640</b>	1,578	1,339	1,759	2,740	
Operating Profit	<b>39,304</b>	56,368	33,627	8,699	24,425	
[Before Depreciation]						
Profit before Tax	<b>25,744</b>	44,911	22,698	(2,246)	14,249	
Profit after Tax (including prior period items)	<b>17,937</b>	30,558	13,066	(287)	10,384	
Dividend and Corporate Tax thereon	<b>4,184</b>	9,445	6,297	0	6,318	
Retained Earnings	<b>13,753</b>	21,113	6,769	(287)	4,066	
Earnings per Share (Rs.)	<b>5.98</b>	10.19	4.36	(0.10)	3.46	
[On Face Value of Rs.10/-]						
<b>ASSETS</b>						
Gross Block	<b>265,764</b>	259,910	225,273	224,944	223,389	
Net Block	<b>122,007</b>	129,256	105,361	117,258	126,647	
Net Current Assets	<b>41,158</b>	57,805	113,782	57,487	105,962	
Non Current Investments	<b>13,325</b>	3,575	3,575	3,525	3,525	
Long Term Loans & Advances	<b>26,532</b>	4,264	-	-	-	
Total Assets	<b>203,022</b>	194,900	222,718	178,270	236,134	
<b>NET WORTH</b>						
Equity Capital	<b>30,000</b>	30,000	30,000	30,000	30,000	
Reserves and Surplus	<b>133,879</b>	120,126	99,013	92,244	92,530	
Net Worth	<b>163,879</b>	150,126	129,013	122,244	122,530	
Book value per share (Rs.)	<b>54.63</b>	50.04	43.00	40.75	40.84	
[On Face Value of Rs.10/-]						
<b>BORROWINGS</b>						
Long Term	<b>19,241</b>	23,354	12,205	17,689	24,063	
Short Term	<b>93,763</b>	50,806	62,499	19,345	68,162	
	<b>113,004</b>	74,160	74,704	37,033	92,226	
<b>RATIOS</b>						
Profit before Tax to Sales and other Income	%	<b>4.30</b>	6.78	4.67	(0.70)	3.81
Profit before Tax to Net Worth	%	<b>15.71</b>	29.92	17.59	(1.84)	11.63
Dividend to Equity Capital	%	<b>12</b>	27	18	-	18
Dividend to Net Worth [Yield]		<b>3</b>	6	5	-	5
Return on Capital Employed	%	<b>25</b>	34	13	5	12
Dividend Cover	Times	<b>4.29</b>	3.24	2.08	-	1.64
Current Ratio	Ratio	<b>1.27:1</b>	1.36:1	1.45:1	1.67:1	1.29:1
Long Term Debt : Equity	Ratio	<b>0.12:1</b>	0.16:1	0.17:1	0.21:1	0.28:1

## DIRECTORS' REPORT

To

The Members,

The Directors are pleased to present their Thirtieth Annual Report and Audited Accounts for the year ended 31<sup>st</sup> March 2012.

### 1. FINANCIAL RESULTS

	Rs.'000	
	31.03.2012	31.03.2011
Net Sales	<b>597,170</b>	660,615
Other Income	<b>1,640</b>	1,578
Sales and Other Income	<b>598,810</b>	662,193
Operating Profit (before Depreciation)	<b>39,304</b>	56,368
Less: Depreciation	<b>13,560</b>	11,456
Profit before Tax	<b>25,744</b>	44,911
Less: Provision for Tax		
Current Tax	<b>8,940</b>	14,025
Deferred Tax Credit	<b>(1,312)</b>	306
Profit after Tax	<b>18,116</b>	30,580
Short Provision of Tax for Prior Years	<b>(179)</b>	(22)
Net Profit after Prior period items	<b>17,937</b>	30,558
Add : Balance Brought Forward	<b>50,845</b>	33,232
Profit available for Appropriation	<b>68,782</b>	63,790
<b>APPROPRIATION :</b>		
Transfer to General Reserve	<b>1,500</b>	3,500
Dividend on Equity Shares	<b>3,600</b>	8,100
Corporate Dividend Tax	<b>584</b>	1,345
Balance Carried Forward	<b>68,782</b>	50,845
	<b>68,782</b>	63,790

### 2. OPERATING RESULTS

During the year under review, net sales decreased by 9.6% to Rs. 5972 lacs, from Rs. 6606 lacs in the previous year. Operating profit before depreciation decreased by 30.27% to Rs. 393 lacs from Rs.564 lacs in previous year. The resulting net profit after tax (with prior period adjustments), decreased by 41.31% to Rs. 179 lacs from Rs. 306 lacs in previous year.

### 3. DIVIDEND

The Board of Directors recommend a dividend of Rs. 1.20 per equity share (12%) for the year 2011-12. (Previous year – 27 %) for approval at the Annual General Meeting. The dividend if approved will result in a cash outflow of Rs. 41.84 lacs including dividend tax compared to Rs. 94.45 lacs in previous year.

### 4. TRANSFER TO RESERVES

The Company proposes to transfer Rs. 15.00 lacs to the General Reserve out of the amount available for appropriations and an amount of Rs. 137.53 lacs is proposed to be retained in the statement of Profit and Loss.

### 5. FIXED DEPOSIT

The Company continued accepting Fixed Deposits from the public during the year under review. The Company received Rs. 49,83,000/- under the Fixed Deposit scheme. At the close of the year there were no Fixed Deposits due for payment which remained either unclaimed or unpaid, except 14 deposits amounting to Rs. 4,95,000/- which have matured but have not been claimed. Of these, 10 Deposits, amounting to Rs. 3,35,000/- have been renewed or repaid up to the date of this Report.

The Company has complied with the requirements of the Companies (Acceptance of Deposits) Rules, 1975.

### 6. OPERATIONS

During the year under review the traditional business of lamination films in Export market was adversely affected, because one of the customers has back-integrated into film manufacture based on the large quantity of film required. Sales of films for other application have grown marginally.