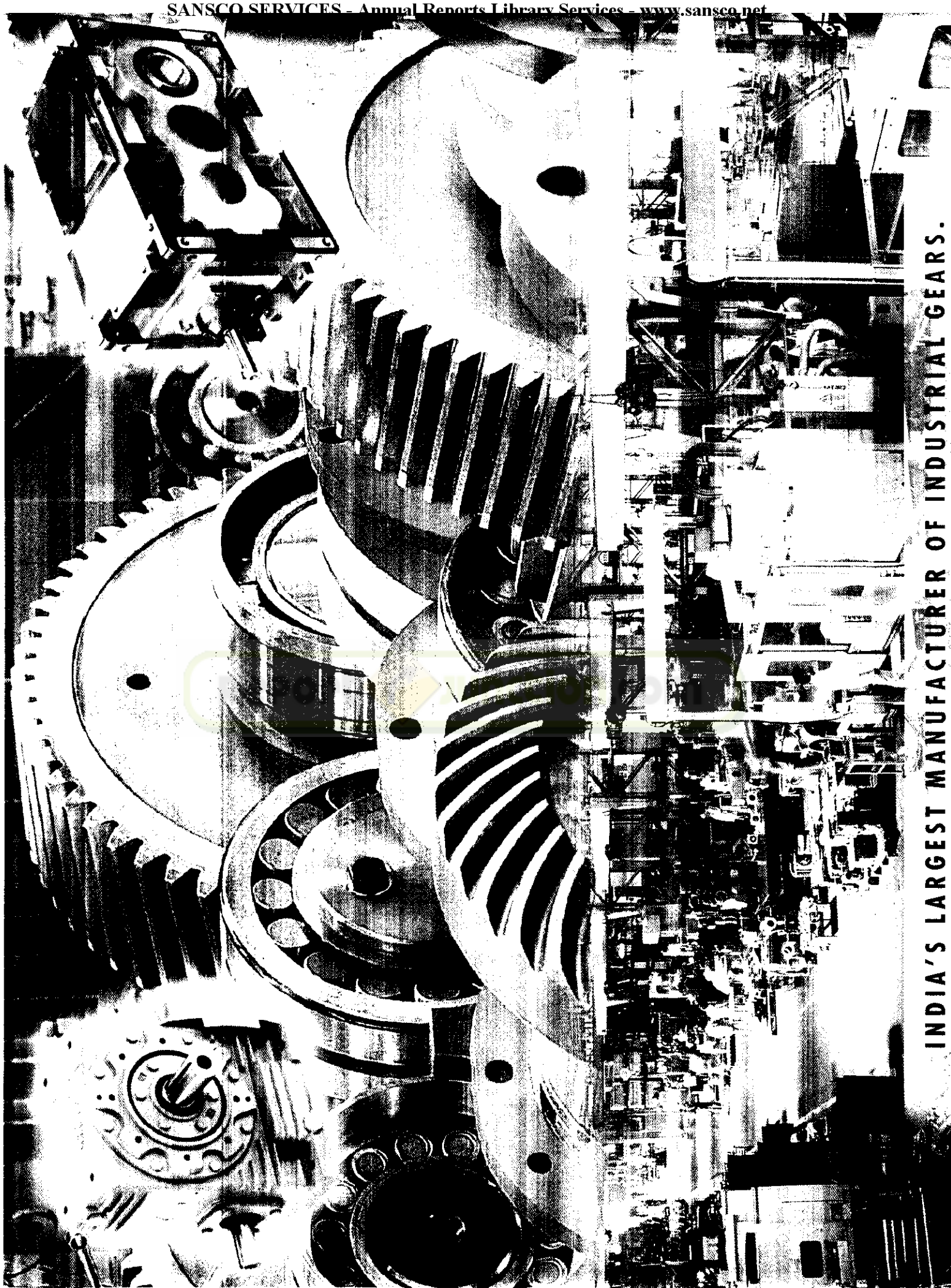


39th ANNUAL REPORT 1998-99

ELECON

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INDIA'S LARGEST MANUFACTURER OF INDUSTRIAL GEARS.

ELECON ENGINEERING COMPANY LIMITED

BOARD OF DIRECTORS

(As on 31st May, 1999)

Shri Bhanubhai I. Patel

Chairman & Managing Director

Shri Prayasvin B. Patel

Managing Director

Shri Natoobhai S. Patel

Director - Finance

Shri Pradip M. Patel

Shri Upendra M. Patel

Shri Chirayu R. Amin

Shri Ashokbhai J. Patel

Shri Hasmukhlal S. Parikh

Shri Amritlal C. Shah

Shri Nanalal D. Shah

ICICI Nominee

Secretary

Shri Dattanand D. Heranjal

Auditors

Thakorebhai Shirish Desai & Butala

Chartered Accountants

Navsari

Bankers

State Bank of India

Bank of Baroda

Canara Bank

Registered Office

Vallabh Vidyanagar 388 120, Gujarat

ELECON #**NOTICE**

NOTICE IS HEREBY GIVEN THAT the Thirty-Ninth Annual General Meeting of Elecon Engineering Company Limited will be held in the Audio Visual Hall of the Company situated near Gear Division of the company at Vallabh Vidyanagar, Gujarat on Saturday, 25th September, 1999 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1999, Profit & Loss Account for the year ended on that date and the Report of Board of Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Shri N.S. Patel, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Upendrabhai M. Patel, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Chirayu R. Amin, who retires by rotation and, being eligible, offers himself for re-appointment.
6. To appoint the Auditors and to fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED THAT, pursuant to the provisions of Section 269, 309, 310 and other applicable provisions of the Companies Act, 1956 and subject to the limits laid down in Section 198 and 309 read with Schedule XIII of the Companies Act, 1956, consent of the Company be and is hereby accorded for the appointment of Shri Natoobhai S. Patel as the Director (Finance) of the Company for a period of Two years with effect from 1st September, 1998 and that he shall be entitled to a salary, and perquisites as specified in detail as set out in the draft agreement to be entered into by and between the Company on the one part and Shri. Natoobhai S. Patel on the other part, submitted to this meeting and signed by the Chairman for the purpose of identification, which agreement is hereby specifically approved with liberty to the Board of Directors of the Company to revise, amend, alter, or otherwise vary the terms and conditions of his appointment from time to time as they deem fit, provided that, at no time the remuneration payable to Shri Natoobhai S. Patel shall exceed the maximum limit prescribed in Section I of Part II of Schedule XIII of the Companies Act, 1956 as existing or as may be amended, in the event of the Company having adequate profits.

In the event, the company is not earning profits or in case of inadequacy of profits in any financial year, Shri Natoobhai S. Patel would be entitled to receive the remuneration to the maximum extent prescribed in Section II of Part II of Schedule XIII of the Companies Act, 1956 as existing or as may be amended."

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

"RESOLVED THAT, pursuant to the provisions of Section 77A, 77AA, 77B and other applicable provisions of the Companies Act, 1956 (hereinafter referred to as "the Act") including any statutory modification(s) or enactment thereof, Article 6 of the Articles of Association of the Company and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, (hereinafter referred to as the "Regulations"), and to such amendments and modification(s) as may be made and applicable from time to time and subject to such other approvals, permissions and sanctions as may be required from appropriate authorities or bodies and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company (herein after referred to as the "Board" which expression shall include a Committee of Directors duly constituted by the Board) or as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to and accepted by the Board, the Company hereby approves buy back of up to 5,47,410 (Five Lacs, Forty Seven Thousand, Four Hundred and Ten only) Equity Shares of Rs. 10/- each, from the shareholders of odd lot shares only, (herein after referred to as "the buy back") in one or more tranches, at a price of Rs. 60/- (Rupees Sixty only) per equity share, from and out of the free reserves of the company and that the buy back shall be made within a period of twelve months from the date of passing of this resolution or such extended period as may be permitted by the Act.

FURTHER RESOLVED THAT, for the purpose of giving effect to this resolution, the Board be and is hereby authorised to specify a date which shall be the specified date for the purpose of determining the names of shareholders to whom the letter of offer shall be sent and/or prescribe the terms and conditions, make and agree to any modification(s) as may be necessary and do all such acts, deeds and things and give such directions as may be necessary or desirable and to settle all questions or difficulties whatsoever that may arise with regard to the said buy back of equity shares."

By order of the Board of Directors

Place : Vallabh Vidyanagar
Date : 12th August, 1999

D.D. Heranjal
Company Secretary

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 THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The Instrument of Proxy should however be deposited at the Registered Office of the Company not less than 48 hours before the Annual General Meeting.

- (2) The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the meeting is annexed hereto.

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- (3) The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 1st day of September, 1999 to Tuesday, the 7th day of the September, 1999. (both days inclusive).
- (4) The dividend on the shares, if declared by the Company at the Meeting, will be paid to those Members whose names appear on the Company's Register of Members as on 1st September, 1999 and Account Payee Dividend Warrants will be posted within the statutory time limit.
- (5) Members are requested to inform the Company of any change in their address immediately so as to enable the Company to despatch dividend warrants and any future communication at their correct address.
- (6) Members intending to require information about accounts or any other matter are requested to write to the Company at least ten days in advance of the Annual General Meeting.
- (7) Pursuant to Section 205-A of the Companies Act, 1956, all unclaimed/unpaid dividends upto the Financial Year ended 31st March, 1994 have been transferred to the General Revenue Account of the Central Government. Those members who have so far not claimed their dividends for the said periods may claim the same by submitting an application in prescribed Form No. II to The Registrar of Companies — Gujarat, Near Rupal Park, Ankur Char Rasta, Narayanpura, Ahmedabad.

Consequent upon amendment in Section 205-A of the Companies Act, 1956, and introduction of Section 205-C, by the Companies (Amendment) Ordinance, 1999, now the amount of dividend remaining unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund.

Members who have not encashed the dividend warrant(s) so far for the financial year ended March 31, 1995, or any subsequent dividend payment(s) are requested to make their claim to the Company.

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

Item No. 7:

Shri Natoobhai S. Patel who has been associated with the Company for the last fifteen years as Commercial Director has, on account of indifferent health intimated his desire to discontinue as Commercial Director after his tenure ended on 31st August, 1998.

However, his discontinuance as Commercial Director would have created a vacuum, especially in the Commercial matters. It was felt that his continuance, restricting the scope of his responsibilities without putting an undue strain on his health, will be in the interest of the Company. Shri Natoobhai S. Patel has vast experience in the field of Commercial and Financial Management. Having regard to the need for efficient Financial Management, the Board of Directors of your Company was of the opinion that it would be in the interest of the Company to continue to avail the services of Shri Natoobhai S. Patel as Director - Finance of the Company.

The Board of Directors of the Company at its Meeting held on 9th November, 1998 appointed Shri N.S. Patel as Director - Finance of the Company unanimously subject to the approval of the Company in General Meeting. The terms and conditions including remuneration payable to Shri N.S. Patel are set out in the draft agreement to be entered into by the Company with him, copy of which is available for inspection to the Members at the Registered Office of the Company on any working day between 10 a.m. and 12 noon till the date of Annual General Meeting and which inter alia contains the following principal terms and conditions.

1. **Duties to be performed:** All matters relating to finance such as raising of finance, financial management, sources of finance, planning and implementation of policies in the field of finance and also generally monitor the financial aspects in the best interest of the Company;

Negotiation with the Banks, Financial Institutions and other agencies for raising of finance and finalising the terms and conditions thereof in the best interest of the Company.

Negotiation with various clients, State Electricity Boards and any State & Central Agencies in matters relating to commercial aspects especially terms and conditions relating to payment, bank and/or corporate guarantee, advance payment etc.

Any other matters in the field of finance as may be entrusted by the Managing Director and/or the Board of Directors.

2. **Period of Appointment:** Two years with effect from 1st September, 1998.
3. **Remuneration payable to Mr. N.S. Patel when the Company earns adequate profits:**

a) **Salary:** Rs. 75,000/- per month.

b) **Perquisites and Allowances:**

Car for use on Company's business and telephone and other communication facilities at residence for official purpose will not be considered as perquisites.

4. **Minimum remuneration:**

The minimum remuneration to be paid in the event of loss or inadequacy of profits in any Financial Year during the currency of the tenure of the Director - Finance, will be subject to the maximum ceiling in the manner set-out in Section II, Part II of Schedule XIII to the Companies Act, 1956 or any amendment made hereafter in this regard.

Apart from the above, the Agreement contain further terms and conditions, the powers and duties, provision for earlier determination of the appointment by either party by giving six months notice in writing to the other party etc.

The re-appointment of Mr. N.S. Patel on the terms and conditions set out in the aforesaid draft agreement is subject to the approval of the Company in General Meeting.

The draft agreement between the Company and Mr. N.S. Patel is available for inspection by the



Members of the Company at its Registered Office between 10 a.m. and 12 noon on any working day of the Company till the date of Annual General Meeting.

The Board of Directors recommends passing of the resolution set out at Item No. 7 of the Notice convening the Meeting.

None of the Directors other than Shri N.S. Patel, is in any way concerned or interested in the above resolution.

This may be treated as an abstract of the draft agreement between the Company and Mr. N.S. Patel pursuant to Section 302 of the Companies Act, 1956.

Item No. 8:

At the thirty Seventh Annual General Meeting held on 25th September, 1997, the members had given their consent to the company to buy back its equity shares, subject to the necessary amendment or modification in the Companies Act, 1956 (the "Act") and subject to such regulations as may be laid down in this regard.

Insertion of Section 77A in the Companies Act, 1956 by the promulgation of the Companies (Amendment) Act, 1999 has enabled Indian companies to buy back their own shares, which were hitherto prohibited from buying back their own shares. The buy back of shares is subject to fulfilment of certain conditions laid down under the Companies Act, 1956 and the regulations imposed by the Securities & Exchange Board of India (Buy Back of Securities) Regulations, 1998 (the "Buy back Regulations").

As per the provisions of the Act read together with the Buy Back Regulations, it is necessary to seek approval of the members with a specific proposal giving complete details of the buy back offer, and hence the revised special resolution

- i) The Board of Directors, at their meeting held on August 12, 1999, has proposed that the Company do buy back up to 5,47,410 number of odd lot equity shares which constitutes 9.69% of the total number of equity shares. The present issued, subscribed and paid-up capital of the company is Rs. 5,64,74,100/- consisting of 56,47,410 equity shares of Rs. 10/- each, fully paid-up.
- ii) The company's equity shares are listed on the stock exchanges at Ahmedabad and Mumbai. The Market lot for trading in your company's equity shares is fifty. Shares held in lots other than fifty or multiples of fifty are odd lot shares.

The company has nearly 26,500 shareholders out of which the number of shareholders holding odd lot shares is very high and constitutes more than 90% of the total number of shareholders. In terms of number of shares held, the odd lot of shareholders hold 8,34,135 shares as on July 22, 1999 out of an aggregate of 56,47,410 equity shares of the company. In terms of percentage, this turns out to be about 14.8% of the total share capital.

As of July 22, 1999, 20,460 shareholders hold less than 49 shares aggregating 4,15,795 shares, i.e.

77.45% shareholders of the company hold 7.36% of the equity capital.

The cost of servicing share folios is quite high as compared to the benefit derived by the odd lot shareholders. With a view to reduce the number of folios for odd lot shares so as to provide still better service to the shareholders, it is proposed to buy back up to 5,47,410 number of odd lot equity shares of Rs. 10/- each, in one or more tranches, from the shareholders holding odd lot shares, within a period of twelve months from the date of this annual general meeting of the company.

- iii) The Board of Directors of your Company have received requests from many shareholders holding odd lot shares that the company must provide an exit opportunity at a fair price. An odd lot shareholder can not liquidate his holding in regular trading on the stock exchange. Even when he is able to find a buyer for his shares, he gets 10 to 15% lower than the prevailing market price.

The Companies Act, 1956 has been recently amended so as to provide for a company to buy back its own shares.

Hence, in response to requests from shareholders, your company's Board of Directors have proposed to provide an exit route to odd lot shareholders at a fair price by seeking your approval for the Company to buy back its own shares from the shareholders holding odd lot shares.

- iv) The Company will adopt the tender offer method to buy back the odd lot shares. Accordingly, the company will send the letter of offer to its shareholders after following the due process laid down in the Act and the Buy Back Regulations. The shareholders can offer their odd lot shares to the company for buy back during the period when the buy back offer will be open.
- v) The debt equity ratio of the company as on March 31, 1999 is 0.52. After carefully examining the likely future borrowings, the Board of Directors is of the opinion that even after the buy back of equity shares, the debt equity ratio would be well within the permissible limits.
- vi) The offer will be made to odd lot shareholders to buy back the odd lot shares held by them on such specified date as your Board of Directors may determine, at a rate of Rs. 60/- (Rupees Sixty only) per share and will be in accordance with the Act and the Buy back Regulations. The equity shares so purchased will be cancelled and not reissued.
- vii) Assuming 100% response to the buy back offer, the maximum amount required for the proposed buy back of equity shares is Rs. 3,28,44,600/- (Rupees Three Crores, Twenty Eight Lac, Forty Four Thousand, Six Hundred only). This is proposed to be met out of general reserves of the company. The amount allocated for buy back of shares is well within the ceiling of 25% of equity capital and free reserves of the company. The funds would be made available from current surplus and/or internal accruals of the Company.

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viii) The pricing of the shares has been decided after considering the following:

* The monthly High and Low closing quotations for the equity shares of your company on the Stock Exchange, Mumbai for the previous six months prior to the date of the Board meeting were as under:

Month	High (Rs.)	Low (Rs.)
February, 1999	54.20	43.15
March, 1999	52.90	44.00
April, 1999	49.05	45.00
May, 1999	51.95	44.00
June, 1999	47.00	40.20
July, 1999	60.00	43.05

The average of the monthly high and low of the closing prices of the shares of your company as quoted on the stock exchange, Mumbai during the six months preceding the date of the Board meeting comes to Rs. 47.87 per share.

The closing market price of the equity shares on the Stock Exchange, Mumbai on 11th August, 1999 was Rs. 53.10.

* Considering that the odd lot shares are sold on an average at a price lower than the prevailing market price, the Board of Directors have decided to offer a price higher than the average price on the Mumbai stock exchange for the previous six months and have hence decided to buy back odd lot shares at Rs. 60/- (Rupees Sixty) per share.

ix) The aggregate share holdings of the promoters, The Directors of the promoters, where the promoters is a company and of persons who are in control of the company (the promoters) was 21,46,176 equity shares constituting 38% of the existing equity share capital of the company on August 12, 1999, the date of the Board Meeting.

The aggregate number of equity shares purchased or sold by promoters, the directors of promoters and persons who are in control of the company (the "promoters"), during the period of six months preceding the date of the Board meeting on August 12, 1999 was as under:

- a) Two promoter companies entered into a negotiated inter-se transaction on February 17, 1999 where Teepee Holding Pvt. Ltd. sold and Emtici Engineering Ltd. purchased 2,80,000 equity shares of the company at Rs. 43.50 per share.
- b) Emtici Engineering Ltd., a promoter company, purchased 16 shares each on March 11, 1999 and March 31, 1999 at a price of Rs. 48.00 per share in each case from two odd lot shareholders of the company.

The promoters will not tender their shares for buy back to the company.

x) The Company has not defaulted in repayment of deposits, redemption of debentures or repayment of term loans to any financial institutions/banks.

xi) The Board of Directors confirm that they have made a full inquiry into the affairs and prospects of the Company and that they have formed an opinion :

- a) that immediately following the date on which the Annual General Meeting is convened, there will be no grounds on which the Company could be found unable to pay its debts;
- b) as regards the prospects of the year immediately following that date, having regard to the intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will in their view be available to the company during that year, the company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from that date and,
- c) in forming their opinion for the above purpose, the Directors have taken into account the liabilities as if the Company were being wound up under the provisions of the Companies Act, 1956 (including prospective and contingent liabilities).

xii) A report dated August 12, 1999 addressed to the Board of Directors has been received from the Company's Auditors Thakorebhai, Shirish Desai & Butala, Chartered Accountants, expressing that they have inquired into the state of affairs and financials of the Company and the amount of the permissible capital payment for the securities is properly determined and on the ongoing concern basis the Company would be in a position to meet its liabilities and not render itself insolvent within a period of one year from the date of the proposed general meeting.

A copy of the Auditor's Certificate is open for inspection to the members at the Registered Office of the Company during business hours on all working days upto the date of the Annual General Meeting.

The Board recommends the passing of the resolution.

The directors of the company may be deemed to be concerned or interested to the extent of their shareholding in the Company.

By order of the Board of Directors

D.D. Heranjal
Company Secretary

Registered Office:
Vallabh Vidyanagar - 388 120
Gujarat.
Date: 12th August, 1999.



DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting their Thirty Ninth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 1999.

1. FINANCIAL RESULTS

	As on 31st March, 1999 Rupees	As on 31st March, 1998 Rupees
Profit before Interest and Depreciation	25,32,42,547	20,36,25,657
Less : Interest	5,09,30,327	3,61,17,442
Depreciation	6,43,79,656	6,27,07,525
Profit before Tax	13,79,32,564	10,48,00,690
Less : Provision for Tax	5,17,00,000	1,39,00,000
Profit after Tax	8,62,32,564	9,09,00,690
Less : Tax Adjustments of earlier years	33,37,265	Nil
T O T A L	8,28,95,299	9,09,00,690
Add : Balance brought forward from last year	1,36,59,387	1,14,40,569
Total available for appropriation	9,65,54,686	10,23,41,259
Which is appropriated as under:		
Transfer to General Reserve	7,25,00,000	7,75,00,000
Proposed Dividend	1,12,94,820	1,01,65,338
Additional Tax on Proposed Dividend	12,42,430	10,16,534
Balance carried forward	1,15,17,436	1,36,59,387

2. DIVIDEND

Your Directors recommend payment of dividend for the year ended 31st March, 1999 at the rate of Rs. 2.00 per Share on 56,47,410 Equity Shares of Rs.10/- each.

3. OPERATING RESULTS

Income from Sales and other services for the year under review amounted to Rs. 197.29 Crores as against Rs. 159.80 Crores for the pervious year which indicates an impressive growth of nearly 24% as compared to the earlier year. This is an all time high in the thirty nine years of the existence of the company. The growth is all the more impressive as it is achieved in depressed market conditions. The Profit before Tax has gone up from Rs. 1048.01 Lacs in the previous year to Rs. 1379.33 Lacs in the year under review which reflects a growth of nearly 32% as compared to the previous year. This achievement viewed against the backdrop of stiff competition and the economic recessionary conditions gives us immense satisfaction.

4. GENERAL BUSINESS OUTLOOK

The economy which had started showing signs of recovery after the presentation of budget has again been rocked by unfortunate political developments. The consequent slowdown in key areas of policy decisions and the continuing shortfall in the infrastructure investments are going to affect the company's customer base adversely.

Apart from one order worth over Rs. 50.00 crores received in the last quarter of the year under review, the company has no major orders on hand. However, with the execution of pending orders in hand, the turnover of the company for the coming year is expected to be maintained at a fair level.

During the year under review, your company has launched POSIRED 2 Helical/Bevel Gears for which your company has already entered into a technical collaboration with P.I.V. Antrieb Werner Reimers GmbH & Co. KG, Germany.

The company has simultaneously launched Super NU Universal Mounting Worm Gears which is a newly designed and developed series. These gears provide improved power ratings and are well accepted by industries.

The commercial production of the new range of gears launched in the current financial year is expected to contribute significantly in the coming years.

5. INVESTMENTS

We have stated in our last report that the company has floated a new company to manufacture geared motors and gear reducers in technical collaboration with a Japanese company. The commercial production is expected to commence in the current year.

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As regards the joint venture company formed for manufacture of industrial freewheels overrunning clutches, we are happy to state that the commercial production has already started in the month of March, 1999.

6. FINANCE

The company has during the year under review, paid the last and final instalment of the 14% privately placed non-convertible debentures along with the premium, as per the terms of agreement.

The company has tied up with a financial institution to raise Rupee Term Loan of Rs. 1000 lacs to fund part of its capital expenditure.

7. FIXED DEPOSITS

Sixteen deposits aggregating to Rs. 74,555/- though matured were not claimed as on 31st March, 1999.

8. INSURANCE

All the properties of the Company including Building, Plant & Machinery and Stocks are adequately insured.

9. PARTICULARS OF EMPLOYEES

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, regarding employees is given in an Annexure forming part of Directors' Report.

10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information as per Section 217(1)(e) read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure forming part of this report.

11. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Shri N.S. Patel, Shri U.M. Patel and Shri C.R. Amin retire by rotation and being eligible, offer themselves for re-appointment.

Shri Natoobhai S. Patel, Commercial Director had intimated his unwillingness to continue as Commercial Director after the expiry of his tenure in August, 1998, though he continued as a Director on the Board. The Board of Directors of the Company was of the view that the vast experience and expertise of Shri N. S. Patel will be of immense help to the Company and his discontinuance as Commercial Director could hamper the smooth working of the Company. In view of this he was requested to act as Director - Finance. He has

acceded to the request and at the meeting of the Board of Directors held in November, 1998, he was appointed as Director - Finance with effect from 1st September, 1998 for a period of two years. The approval of shareholders is being sought for his appointment as Director - Finance.

12. AUDITORS

The Auditors, M/S Thakorebhai Shirish Desai & Butala, Chartered Accountants, Navsari, retire and being eligible, offer themselves for re appointment.

13. ACKNOWLEDGEMENT

Your Directors take this opportunity to thank the Company's Bankers and Financial Institutions for their continued assistance and co-operation, during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the devoted services of all the employees.

On behalf of the Board of Directors

Place : Vallabh Vidyanagar

Date : May 31, 1999

B.I. Patel

Chairman

ANNEXURE TO DIRECTORS' REPORT:

Information required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A) CONSERVATION OF ENERGY**a. Energy Conservation Measures taken:**

- i) The Company has implemented Resonance Software for production planning and shop scheduling resulting in minimum, efficient and quick movement of work in progress inventories. Improvement in batch size of jobs and correct sequence of material movement reduces load on material shifting vehicles and devices resulting in reduction of electricity and diesel consumption.
- ii) During the year under review, the Company has installed one centralised oxygen tank for CNC gas cutting machines. Replacement of all small units of storing media has resulted in reduction in shifting of small machines which in turn has reduced the fuel consumption.