

12th ANNUAL REPORT

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FLEX CHEMICALS LIMITED



FLEX CHEMICALS LIMITED

BOARD OF DIRECTORS

ASHOK CHATURVEDI
Chairman

HARISH CHATURVEDI
Whole-time Director

R.V. RAO
Nominee-IFCI

R.P. AGRAWAL

R.C. TAKRU

RAJIV SHUKLA

RASHMI CHATURVEDI

PANKAJ SHARMA

R.K. JAIN

M.G. GUPTA

DEPUTY GENERAL MANAGER (ACCOUNTS) & COMPANY SECRETARY

BASANT KUMAR

AUDITORS

VIJAY SEHGAL & CO.
New Delhi
Statutory Auditors

JAIN SINGHAL & ASSOCIATES
New Delhi
Internal Auditors

BANKERS

ICICI BANKING CORPORATION LTD.

ORIENTAL BANK OF COMMERCE

UNION BANK OF INDIA

VIJAYA BANK

REGISTERED OFFICE

110, First Floor, Bhanot Corner,
Pamposh Enclave
Greater Kailash-I
New Delhi - 110048
Tel.: 6440917, 6440925
Fax : 6216922

CORPORATE OFFICE

A-107-109, Sector-IV
NOIDA - 201 301 (U.P.)

OFFICES

118-119, Damji Shamji Udyog Bhavan,
1st Floor, 25A, Veera Desai Road,
Andheri (West),
Mumbai - 400 053

FMC Fortuna, Unit No. A-16
234/3A (2nd Floor)
Acharya Jagdish Chandra Bose Road
Calcutta - 700 020

347, Arcot Road, IInd Floor
(East Side) Annaram Building,
Kodambakam, Chennai - 600 024

443, IInd Floor,
7th Block, Koramangala
Bangalore - 560 095

WORKS

C-174-175, Sector-X
NOIDA - 201 301 (U.P.)

C-5-8 Sector 57,
Phase-III
NOIDA -201 301 (U.P.)

L-1, Industrial Area,
Ghirongi (Malanpur),
Dist. Bhind,
Madhya Pradesh-477 117.



FLEX CHEMICALS LIMITED

NOTICE

Notice is hereby given that the 12th Annual General Meeting of the Members of Flex Chemicals Ltd. will be held at 10:00 A.M. on Saturday, the 18th day of September, 1999 at Air Force Auditorium, Subroto Park, New Delhi - 110010 for transacting the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 1999 and the Profit & Loss Account for the year ended on that date together with Reports of Auditors and Directors thereon.
2. To appoint a Director in place of Shri Ashok Chaturvedi, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri R.K. Jain, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint statutory Auditors and to fix their remuneration. M/s. Vijay Sehgal & Company, Chartered Accountants, New Delhi retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s) the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT Shri M.G. Gupta, who was appointed as a Director of the Company w.e.f. 29.04.99 in the casual vacancy caused by the resignation of Shri V.D. Chaturvedi and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received notice in writing pursuant to Section 257 of the Companies Act, 1956 proposing his candidature to the office of Director be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. To consider and if thought fit, to pass with or without modification(s) the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and subject to Schedule XIII and all other applicable provisions of the Companies Act, 1956, if any (including any statutory modification or re-enactment thereof), and subject to the approval of the Financial Institutions and such other approvals/sanctions as may be necessary, the Company hereby approves the increase in the remuneration of Shri Harish Chaturvedi, Whole-time Director of the Company for the remaining period of his tenure w.e.f. 01.03.99 on the terms and conditions as to remuneration, minimum remuneration in case of loss or inadequate profit in any financial year as set out in the explanatory statement which shall be deemed to form part hereof."

7. To consider and if thought fit, to pass with or without modification(s) the following Resolution as a **Special Resolution**:

"RESOLVED THAT consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof) to the Board of Directors of the Company to mortgage and/or charge all/any of the immoveable and moveable properties, including plant & machinery of the Company in favour of The Industrial Finance Corporation of India Ltd. (IFCI) to secure the Zero Rate Debentures (ZRDs) and Loans issued/sanctioned to/by IFCI to the Company aggregating to a maximum of Rs.50 crores together with interest at the agreed rate(s), additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment, all other cost, charges and expenses, if any, in terms of letter No.DRO/Pr.Gp.11-901/99-11 dated 31st March, 1999 and/or any other agreement entered/to be entered into between the Company and IFCI in respect of the said financial assistance together with power to take over the management of the business and concern of the Company in certain events."

8. 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 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and is hereby amended as follows :-

- a) The definition of 'member' appearing in Article 2 of the Articles of Association of the Company be substituted by the following :

'Member' in respect of dematerialised shares means the beneficial owner thereof, i.e. the person or persons whose name is recorded as a beneficial owner in the Register maintained by a Depository under the Depositories Act, 1996 and in respect of other shares the person or persons whose name is duly registered as a holder of a share in the Company from time to time and includes the subscribers to the Memorandum of Association.

- b) The following heading and Article be inserted as Article 45A after Article 45 of the Articles of Association of the Company.

Dematerialisation of securities

Definitions

- 45A (1) For the purpose of this Article :-

'Beneficial owner' means a person or persons whose name is recorded in the Register maintained by a Depository under the Depositories Act, 1996.

'SEBI' means the Securities and Exchange Board of India.

'Depository' means a Company formed



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and registered under the Act and which has been granted a certificate of registration by SEBI under the Securities and Exchange Board of India Act, 1992. 'Security' means such security as may be specified by SEBI from time to time.

Dematerialisation of securities

- (2) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the provisions of the Depositories Act, 1996 or otherwise.

Issue of securities and option for investors

- (3) Notwithstanding anything contained in these Articles, every issue of security by the Company shall be in the dematerialised form and the Company shall intimate the details of allotment to the depository immediately on allotment of such securities.

Investors in a new issue and the beneficial owners shall have the option to dematerialise the shares subsequent to the allotment or dematerialisation, as the case may be, in which event the Company shall issue to the investor/beneficiary the required certificates of securities subject to the provisions of applicable laws, rules, regulations or guidelines. The shares so dematerialised shall bear new distinguishing numbers so as to identify them from the shares not dematerialised.

Securities in depository mode to be in fungible form

- (4) All securities held in the depository mode with a depository shall be dematerialised and be in fungible form. To such securities held by a depository on behalf of a beneficial owner, nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply.

Right of depositories and beneficial owners

- (5)(a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.
- (b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have other membership rights in respect of the securities held by it.
- (c) Even person holding securities of the Company and whose name is entered as the beneficial owner in the register maintained by a depository shall be deemed to be a member of the Company. The beneficial owner of securities shall alone be entitled to all the rights and

benefits and be subject to all the liabilities in respect of the securities held in the depository mode of which he is the beneficial owner.

Service of documents

- (6) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository mode, the records of the beneficial owner may be served by a depository on the Company by means of electronic mode or by delivery of floppies or discs.

Transfer of securities

- (7) Nothing contained in section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered in the Register maintained under the Depositories Act by a depository as beneficial owners.

Distinctive numbers of securities held in the depository mode.

- (8) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held in the depository mode.

Register and index of beneficial owners

- (9) The Register and index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and index of members and holders of securities for the purposes of these Articles and the Act."

Place : NOIDA

Date : 21st August, 1999

Regd. Office :

110, First Floor, Bhanot Corner,
Pamposh Enclave
Greater Kailash-I
New Delhi - 110048

By Order of the Board

BASANT KUMAR
Dy. General Manager (Accounts)
& Company Secretary

NOTES :

1. Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANOTHER PERSON AS HIS PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED AND IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED TO THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 13.09.99 to 18.09.99 (both days inclusive).



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4. Members are requested to notify change in address, if any, to the Company at its Registered Office, quoting correct folio number(s).
5. In the case of joint holders, if more than one holder intend to attend the meeting, they must obtain additional admission slips on request from the Registered Office of the Company.
6. Members who are holding shares in identical order of names in more than One Folio are requested to write to the Company enclosing their share certificates to enable the Company to consolidate their holdings in One Folio.
7. Members seeking further information about the accounts are requested to write at least one week before the date of the meeting.
8. Members/Proxies should bring the Attendance Slips duly filled for attending the Annual General Meeting. No extra Attendance Slip will be provided at the venue of Annual General Meeting.
9. Pursuant to the provisions of Section 205A of the Companies Act, 1956, the unpaid/unclaimed dividends for the financial year ended 31st December, 1994 (Dividend Warrants dated 01.08.95) were transferred to the General Revenue Account of the Central Government. Shareholders who have not collected/encashed the Dividend Warrants dated 01.08.95 issued by the Company in respect of the said financial year may claim such amounts from the Registrar of Companies, NCT of Delhi & Haryana.

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

ITEM NO. 5

Shri M.G. Gupta was appointed as a Director w.e.f. 29.04.99 in the casual vacancy caused by the resignation of Shri V.D. Chaturvedi.

Shri M.G. Gupta is a retired IAAS (Indian Audit & Accounts Services) officer. He was in the service of the Central Government and during his illustrious career with the Government, he held important positions in various ministries/departments. He retired in 1992 as Vice Chairman & Member Finance of Delhi Development Authority. He is currently on the Board of a number of Companies as nominee of various Financial Institutions.

The Directors feel that his induction would further strengthen the Board and his vast and varied experience would be of immense benefit to the Company.

Notice has been received from a member of the Company alongwith requisite fees under Section 257 of the Companies Act, 1956 proposing his candidature for appointment to the office of Director.

The Board of Directors recommend the resolution for your approval.

Except Shri M.G. Gupta, no other Director is concerned or interested in the said resolution.

ITEM NO. 6

At the 9th Annual General Meeting of the Company, the members had appointed Shri Harish Chaturvedi as the Whole-time Director of the Company w.e.f. 01.03.96 for a period of five years.

Shri Harish Chaturvedi has been associated with the Company since inception and has put tremendous efforts in the growth of the Company. He has got vast and varied experience in the packaging industry and related areas. With the increase in the volume of business and commissioning of PET Chips project at Malanpur, the volume of work and other responsibilities of Shri Harish Chaturvedi have increased manifold.

Though Schedule XIII of the Companies Act, 1956 has substantially liberalised the payment of remuneration to managerial personal, still the Company had been paying a modest salary to its Whole-Time Director.

Further it would be appreciated that the remuneration of the Whole-Time Director should be commensurate with his experience, responsibilities, contribution made by him to the growth of the Company as also to enable him to maintain a standard of living befitting his position and stature.

The Board of Directors have accordingly approved the increase in the remuneration of Shri Harish Chaturvedi, Whole-Time Director of the Company for the remaining period of his tenure on the revised terms and conditions as stated here-in-below, subject to the approval of members and such other approvals as may be necessary :

(1) Salary :

Rs. 75,000/- (Rupees Seventy Five Thousand) per month.

(2) Perquisites :

Free furnished accommodation with gas, electricity, water and other amenities, car with driver, reimbursement of medical expenses incurred in India or abroad including hospitalisation and surgical charges for self & family and travel relating thereto, reimbursement of expenses on servants, telephone at residence, leave travel including foreign travel, fees of clubs, personal accident insurance etc. subject to a ceiling of Rs.5,00,000/- (Rupees Five lacs) per annum.

For the purpose of calculating the above ceiling, the perquisites shall be evaluated as per the Income Tax Rules, wherever applicable.

Contribution to Provident Fund and Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly/or put together are not taxable under the Income-Tax Act.

Gratuity at the rate of 15 days' salary for each completed year of service.



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In the event of inadequacy or absence of profits under Section 349 and 350 of the Companies Act 1956, the Whole-Time Director shall be entitled to minimum remuneration comprising salary, perquisites and benefits as detailed above subject to the approval of the Central Government, if required.

The Board of Directors recommend the resolution for your approval.

Shri Harish Chaturvedi himself, Shri Ashok Chaturvedi and Smt. Rashmi Chaturvedi, Directors being related to him be deemed to be interested and/or concerned in this item of business.

This explanation is & should be treated as an abstract u/s 302 of the Companies Act, 1956.

ITEM NO. 7

Section 293(1)(a) of the Companies Act, 1956 provides *inter-alia* that the Board of Directors of a Public Company shall not, without the consent of such Company in a General Meeting sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking of the whole or substantially the whole of the undertakings of the Company.

Mortgaging/charging by the Company of its immoveable and moveable properties in favour of the lenders as aforesaid may be regarded as disposal of the whole or substantially the whole of the said undertaking(s) of the Company and therefore requires consent of the Company pursuant to Section 293(1)(a) of the Companies Act, 1956.

In terms of the restructuring scheme as approved by The Industrial Finance Corporation of India Ltd. (IFCI) the simple interest accrued and due till 31st March, 1999 on the Term Loans as well as on the Unsecured Term Deposit (USTD) has been funded in the form of Zero Rate Debentures (ZRDs). Further, the Unsecured Term Deposit of Rs. 5 crores has been converted into a Secured Term Loan. All the above facilities extended by IFCI would be secured by mortgage and/or charge/hypothecation of all or any moveable and immoveable properties of the Company as may be agreed to between the Company and The Industrial Finance Corporation of India Limited.

In view of this consent of the shareholders is sought for creation of mortgage/charge in favour of IFCI in respect

of the aforesaid financial assistance upto a maximum limit of Rs.50 crores.

The Board of Directors recommend the resolution for your approval.

Except Shri R.V.Rao, nominee Director of IFCI who might be deemed to be interested in the resolution to the extent of financial assistances that IFCI has provided/might agree to provide to the Company, no other Director of the Company is concerned or interested in the resolution.

ITEM NO. 8

With a view to provide paperless trading and less costly transferability of shares, the Government promulgated the Depositories Ordinance in 1996 and subsequently the Ordinance was put on the statute book. SEBI and NSDL have already framed necessary regulations in this regard.

Further, some of the provisions of the Companies Act, 1956, relating to issue, holding, transfer, transmission of shares and other securities have been amended to facilitate the implementation of the D'mat system. Accordingly, it was proposed to amend the Articles of Association by amending Article No. 2 and inserting new Article 45A to have enabling provisions in the Articles of Association and also to make the Articles in tune with the Depository system.

According to section 31 of the Companies Act, 1956, it is necessary to pass a Special Resolution to amend any of the provisions of Articles of Association. Therefore, the Board of Directors recommend the resolution for your approval.

None of the Directors of the Company is concerned or interested in the resolution.

A copy of Memorandum and Articles of Association of the Company together with proposed alterations and other documents referred to in the explanatory statement shall be available for inspection by Members of the Company at its Registered Office between 10.00 a.m. to 12.00 noon on any working day.

Place : NOIDA

Date : 21st August, 1999

Regd. Office :
110, First Floor, Bhanot Corner,
Pamposh Enclave
Greater Kailash-I
New Delhi - 110048

By Order of the Board

BASANT KUMAR
Dy. General Manager (Accounts)
& Company Secretary



FLEX CHEMICALS LIMITED

DIRECTORS' REPORT

To the Members,

Your Directors present the 12th Annual Report alongwith the Audited Accounts of the Company for the financial year ended 31st March, 1999.

WORKING RESULTS

The summarised Financial Results for the year ended 31st March, 1999 and for the previous period ended 31st March, 1998 are as under :-

	Year ended 31.03.99	(Rs. in lacs)	Period ended 31.03.98 (15 Months)
Sales	7032.11		9337.04
Other Income	85.40		98.17
Profit before Interest, Financial Charges, Depreciation & Taxation	563.46		1876.08
Less :			
(i) Interest & Financial Charges	1288.31	524.27	
(ii) Depreciation	586.62	127.96	
	1874.93		652.23
Profit /(Loss) before Tax	(1311.47)		1223.85
Add/Less: Provision for Tax	0.04		(55.00)
Profit /(Loss) after Tax	(1311.51)		1168.85
Less: Corporate Dividend Tax	—		(23.19)
Less/Add : Excess Provision for earlier years written back :			
Income-Tax	55.00	—	
Wealth Tax	—	0.02	
Expenses	8.50	—	
	63.50		0.02
Brought forward profit	1859.57		723.89
Profit available for Appropriations	611.56		1869.57
APPROPRIATIONS			
General Reserve	—		10.00
Balance Profit carried to Balance Sheet	611.56		1859.57
	611.56		1869.57

The relevant notes on the Accounts of the Company referred to in the Auditors' Report are self explanatory and therefore do not call for any further comments.

REVIEW OF OPERATIONS

The financial year ended 31.3.1999 under review was of 12 months period while the previous financial period ended 31.3.1998 was of 15 months period and to that extent the figures are not strictly comparable.

The period under review was the most difficult one, the Company has ever experienced. The recessionary scenario continued to haunt the economy in general and the Petrochemical industry in particular. This coupled with tight liquidity position, working capital constraints, lack of captive demand, high interest burden and depreciation dealt a severe blow to the Company's working and were responsible for its sub-standard performance. In the face of such an adverse scenario, your Company still managed to achieve a turnover of Rs. 7032.11 lacs compared to Rs. 9337.04 lacs in the previous period. However, due to the impact of the aforesaid adverse factors, the year ended with a net loss of Rs. 1311.51 lacs compared to a net profit of

Rs. 1168.85 lacs during the previous period.

In view of the position explained above, no Dividend is recommended.

INKS & ADHESIVES

The Inks & Adhesive division achieved a sales volume of 2118 metric tonnes compared to 3691 metric tonnes while the sales in terms of value were at Rs. 2926.68 lacs as against Rs.5289.82 lacs during the previous period. The working capital constraints and tight liquidity position prevented the Company from achieving higher sales volume. The situation for the division was further compounded by lack of captive demand and overall depressed economic conditions. Thus, both the sales volume and realisations remained under pressure.

POLY-CONDENSATION (PET CHIPS)

The Petrochemical industry which is cyclic in nature, started witnessing downside since June, 1997 and



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during the last two years there has been a drastic change in the scenario due to over capacity and over supply positions. The overall depressed conditions both in the domestic and international markets, delay in the implementation of the project, high interest and depreciation burden, lower realisations and margins took a heavy toll on the division's performance. The second line could be commissioned only in October, 1998.

In spite of the overall unfavourable environment, the division achieved a sales volume (including job work) of 21976 metric tonnes while the sales realisations were Rs. 3968.19 lacs as compared to 17541 metric tonnes and Rs.3506.63 lacs respectively during the previous period.

PROMISES VS. PERFORMANCE

Pursuant to Clause 43 of the amended Listing Agreement entered into with the Stock Exchanges, the key financial projections as given in the Letter of Offer dated 15.6.1996 issued for Rights Issue of 1,00,92,600 Equity Shares of Rs.10 each at a premium of Rs.35.00 (premium subsequently revised to Rs. 17.50 per share) per share aggregating to Rs.27,75,46,500 and the actual audited figures for the year ended 31.3.1999 are as under :

	(Rs. in Lacs)	
	Projections (as estimated by the Company for the year ended 31.12.98) (12 months)	Actual (Audited for the year ended 31.03.99) (12 months)
Net Sales	39676	6019.03
Other Income	35	85.40
Profit before Interest, Depreciation & Tax	7004	563.46
Interest & Financial Charges	2126	1288.31
Depreciation	638	586.62
Tax	1215	0.04
Net Profit/(Loss) after tax	3025	(1311.51)
Equity Capital	1682	1141.32
Dividend (%age)	30	NIL

The deviation in the actual performance against the projections has been due to major part of sales of PET Chips made on job work basis. Significant drop in the sales realisations and margins of PET Chips as well as inks & adhesives and phasing out of pouch making activities had also affected the working of the Company.

FINANCE

The adverse operating conditions in the Company's business, more particularly in the Poly-condensation Division, general sluggishness in the economy, slackness in demand and delay in the implementation of the Poly-condensation Project had an adverse impact on the working and earnings of the Company resulting into working capital constraints and tight liquidity position. The tight liquidity position not only affected Company's capacity to meet its financial obligations to Financial Institutions and Banks but also started affecting the smooth operations of the Company.

Keeping in view the above factors and to overcome the present unfavourable business scenario, the Company approached The Industrial Finance Corporation of India Ltd. (IFCI) for the re-fixation of interest rate and reschedulement of repayment of the term loan extended by it for the Company's Poly-condensation project. The said restructuring proposal has since been approved by IFCI. The restructuring scheme, *inter-alia*, involves:

- Reschedulement of principal overdues alongwith the unmatured principal of Rupee Term Loans.
- Funding of interest accrued till the cut-off date i.e. 31st March, 1999 in respect of Term Loans and Unsecured Term Deposit (USTD).
- Waiving of compound interest and liquidated damages till the cut-off date.
- Conversion of Unsecured Term Deposit (USTD) into Secured Term Loan
- The outstanding Rupee Term Loans to carry a ballooning interest rate structure.

Your Directors express their sincere thanks to The Industrial Finance Corporation of India Limited for its esteemed co-operation and valued support in approving the financial restructuring scheme.

FUTURE OUTLOOK

Despite the temporary set back, the Inks & Adhesive division holds a promising future due to the established quality and diversified nature of the products. The Management is seized of the situation and has initiated several steps to come out of the difficult situation and improve the performance of the Company. A special task force has been constituted to give a boost to outside sales.

More and more thrust was being made to improve the presence of the Company in the International market as the products of the Company are eliciting positive and encouraging response due to their excellent quality and competitive prices.

With the commissioning of the third line in June, 1999, the Poly-Condensation plant has been fully commissioned and there has been marked improvement in the capacity utilisation. Besides improvement in the job work volume, there has been substantial improvement in the direct sales. The plant has been working extremely well. Though there has been improvement in the situation, the market was yet to take some more time to absorb the impact of the adverse conditions which have afflicted it for last two years.

Efforts were also being made to improve the sales performance and achieve production efficiencies by way of cost reduction and better resources utilisation. With the economy of late showing signs of revival and the financial restructuring scheme in place, your Management was quite optimistic and hopeful of much better performance in coming times which has already been reflected in the 1st quarter performance for the period ended June, 1999 where the Company has achieved a sales turnover of Rs. 2652 lacs and earned