

25th
Annual Report
1999-2000

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FENOPLAST LIMITED

306-308, Chenoy Trade Centre, Parklane,
Secunderabad - 500 003, India.

FENOPLAST LIMITED**Board of Directors**

Sri H. Narsaiah, Chairman
 Sri H. Kishen, Managing Director
 Sri H. Dayakiran, Whole-Time Director
 Sri H. Krishna Kumar, Whole-Time Director
 Sri H. Sampath Kumar, Director

Bankers

Canara Bank
 Syndicate Bank
 The Lakshmi Vilas Bank Ltd.

Auditors

M/s. M. Anandam & Co.
 6549, R.P. Road,
 Secunderabad.

Registered Office

306-308, Chenoy Trade Centre,
 Parklane, Secunderabad - 500 003.
 Andhra Pradesh, India.

Factories**Unit-I**

Plot No.21/A
 Industrial Development Area,
 Patancheru - 502 319.
 Medak Dist., A.P.

Unit-II

Survey No.133,
 Nandigaon Village,
 Near Ghanapur, Sangareddy Tq.,
 Medak Dist., A.P.

Unit-III

Survey No.165 & 166,
 Nandigaon Village,
 Near Ghanapur, Sangareddy Tq.,
 Medak Dist., A.P.

Branch Offices**Mumbai**

Plot No.1067,
 Adarshnagar, New Link Road,
 Oshiwara, Jogeswari (West),
 Mumbai - 400 102.

Calcutta

P-175,
 Kalindi Housing Estate,
 Calcutta - 700 089.

New Delhi

35B & 36
 Samaspur Village,
 Patpargunj,
 Delhi - 110 091.

FENOPLAST LIMITED**NOTICE**

Notice is hereby given that the 25th Annual General Meeting of the Members of Fenoplast Limited will be held on Thursday, the 21st December, 2000 at 11.00 A.M. at Kapu Sangam, 1-7-155, M.G.Road, Secunderabad-500 003, to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2000, the Profit & Loss account for the year ended 31st March, 2000, together with the Directors' report and Auditor's report thereon.
2. To appoint a Director in place of Sri H.Narsaiah who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Sri H.Dayakaran who retires by rotation and being eligible offers himself for reappointment.
4. To consider and if thought fit, to pass with or without modification, the following Resolution as an ordinary Resolution.

"RESOLVED THAT M/s.M.Anandam & Co., Chartered Accountants, Secunderabad, be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and that the Board of Directors of the Company be and are hereby authorised to fix their remuneration and out of pocket expenses."

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. A proxy need not be a member of the Company. Instruments of Proxy in order to be effective must be received at the Company's Registered Office at least 48 hours before the commencement of the meeting.
2. Members are requested to notify immediately changes in their address for correspondence, if any, to the Company's Registered Office quoting the folio number.
3. Members/Joint Members/Proxies are requested to bring the attendance slip with them. *Duplicate Slip will not be issued at the place of the Meeting.*
4. Members are requested to come to the venue of the meeting well in advance for registration. No registration will be entertained after fifteen minutes of the commencement of the meeting.
5. Members are requested to bring their copy of the Annual Report. Additional copy of the Annual Report will not be distributed at the place of meeting.
6. Any query relating to the Accounts must be sent to the Company's Registered Office at least 7 days before the meeting.
7. The Share Transfer Books and Register of Members of the company will remain closed during the period from 21st December, 2000 to 26th December, 2000 (both days inclusive).

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8. A recent amendment to the Companies Act, 1956 has introduced provisions for nomination by the holders of shares and debentures. The prescribed nomination form can be obtained from the company. The members may take advantage of this facility.
9. Company obtained extension of time from Registrar Of Companies, Andhra Pradesh to the hold the 25th Annual General Meeting of the Company on or before the 31st December, 2000.

By order of the Board
for **FENOPLAST LIMITED**

Place : Secunderabad
Date : 21-11-2000

H. KISHEN
Managing Director



FENOPLAST LIMITED**DIRECTORS' REPORT**

TO
THE MEMBERS OF
FENOPLAST LIMITED

Your Directors are pleased to present the Silver Jubilee Annual Report of the Company and the Audited Accounts for the year ended 31st March 2000.

FINANCIAL RESULTS :

During the year under review company's total income is Rs. 5122.82 lakhs as compared to Rs.4844.24 lakhs of previous year. The Financial details of the Company are as under :

	1999-2000	1998-1999
	Rs. in lakhs	Rs. in lakhs
Income	5122.82	4844.24
Less : Expenditure	3734.86	3509.52
Less : Excise Duty	773.88	730.28
Gross Profit	614.08	604.44
Less : Interest & Finance charges	346.82	315.66
Less : Depreciation & Misc. Exp. W/off	99.54	97.33
Profit for the year	167.72	191.45
Less : Provision for taxation	19.46	6.40
Profit after tax	148.26	185.05
Add : Prior Period Adjustments	0.80	30.91
Profit after prior period adjustments	149.06	215.96
Profit brought forward	52.67	(163.29)
Balance carried forward	201.73	52.67

Your Directors are pleased to inform that your Company earned a Net profit of Rs.149.06 Lakhs during the year under review. During the year some of the major raw material prices have gone up resulting in reduced margins. The raw materials cost increases were passed on to the customers. The margins were restored by the year end.

OPERATIONS

For the year under review Production of PVC Leather Cloth was 36.96 lakh Ln.Mtrs as against the Previous years production of 32.14 Lakh Ln.Mtrs. Production of PVC Film was 2970 MT as against the Previous years production of 3051 MT. During the year under review your Company started supplies to major automobile

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manufacturing companies/vendors of major automobile companies. The response is encouraging. For the year 2000-2001 your Company envisages a definite growth rate of 20% over the year 1999-2000.

ONE TIME SETTLEMENT:

The members are aware that under debt restructuring, Company approached Financial Institutions for a One Time Settlement of dues, which was approved by Financial Institutions. Company is in the process of mobilizing funds required for this purpose. On account of One Time Settlement your Company could reduce the debt to the servicing level.

EXPORTS :

During the year 1999-2000, your Company made exports to various countries aggregating to Rs.903.60 lakhs as against the previous years exports of Rs.1039.39 lakhs. For the year 2000-2001 your Company is targeting an export turnover of Rs.1000 lakhs.

PENDING LEGAL CASE :

The Income tax authorities have issued a tax demand on the Company which was contested before the Income tax Appellate Tribunal. The Income Tax Appellate Tribunal decided the matter in favour of the Income Tax department. The Company is approaching the Honourable High Court of Andhra Pradesh for necessary relief.

DIRECTORS:

Sri H.Narasaiah will retire by rotation at this Annual General Meeting and is eligible for reappointment.

Sri H.Dayakiran will retire by rotation at this Annual General Meeting and is eligible for reappointment.

PERSONNEL :

Your Directors are pleased to record their appreciation for the devotion and sense of commitment shown by the employees at all levels and acknowledge their contribution towards the performance of the company.

During the previous year an employee of the Company committed a fraud involving Rs. 22.65 lakhs DEPB licences and Rs. 2.22 lakhs cash and the matter is under police investigation. Meanwhile your company recovered Rs. 7.00 lakhs from the people who are involved in the fraud. Provision for Rs.17.87 lakhs was made in the books of accounts.

CORPORATE GOVERNANCE:

The listing agreement is amended as directed by SEBI incorporating changes to clauses 19, 20, 22, 32 & 41 and incorporating a new clause 49 on Corporate Governance. The Corporate Governance provisions are applicable to the Company within financial year 2002-2003 but not later than March 31, 2003.

Y2K PREPAREDNESS:

Your Company has smoothly migrated to the year 2000 (Y2K) with zero disruption in the operations, both hardware and software. The cost incurred is negligible.

DEMAT:

As per the SEBI letter dated 29-5-2000 addressed to Stock Exchanges the trading in the scrips of your Company would be in compulsory demat form by all the investors w.e.f. 26-3-2001. Your company is in the process of entering into agreement with depositories and a separate communication will be sent to the shareholders of the Company about the procedure and formats to Demat the scrips of your Company.

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Particulars required under Section 217(2-A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, for the year under review are as under :

Name of employee	Designation	Gross remuneration Rs.	Qualifications	Age/ Experience	Commencement of employment	Previous employment
(i) Employed for whole of the year :						
Sarvasri/ H.Kishen	Managing Director	1037400	B.Com.	60/40	16.10.75	Textile Business
H. Dayakiran	Director	892195	B.Sc.	44/22	10.07.79	-
H. Krishna Kumar	Director	843967	M.A.	41/19	01.09.82	-
(ii) Employed for part of the year : Nil						

MATTERS REQUIRED TO BE REPORTED AS PER COMPANY'S (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2000.

A. Energy Conservation :

Presently the consumption of energy in the process of manufacturing is not substantial. During the year under review, consumption of power, per Ln.Meter of leather cloth, is 0.15 kwh. The consumption of coal has decreased from 0.64 Kgs. to 0.49 Kgs. per Ln.mt. of production. The reason for lower consumption was on account of better quality of coal and continuous production. Power consumption for PVC film has decreased from 1.04 Kwh to 0.93 Kwh per each Kg of production. The decrease in per unit power consumption was on account of continuous production. Details are enclosed herewith in Form A.

B. Technology Absorption :

On the technology absorption, the Company's employees were fully trained on the machines. The machines are being operated without any technical problems.

C. Foreign exchange earnings and out-go :

The Company used Rs.438.41 lakhs on foreign exchange for its imports and foreign tours during the year, out of its total export earnings of Rs.875.78

lakhs. Previous year the Company has used Rs.418.13 lakhs out of Rs.998.01 lakhs earned.

AUDITORS :

The auditors, M/s.M.ANANDAM & CO., Chartered Accountants retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The observation of the Auditors are explained wherever necessary in the appropriate Notes to the Accounts.

ACKNOWLEDGEMENTS :

Your Directors place on record their sincere gratitude to IDBI, IFCI and ICICI for having extended financial support and also for approving One Time Settlement to the Company. Your Directors thank and place on record their sincere gratitude to Canara Bank, Syndicate Bank and Lakshmi Vilas Bank Ltd., for the financial support extended to the Company.

Your Directors thank dealers, customers, suppliers and shareholders for the support and co-operation extended to the company.

For and on Behalf
of the Board of Directors

Place : Secunderabad
Date : 09.10.2000

H.NARSAIAH
(Chairman)