



# FUTURA POLYESTERS LIMITED

**44TH ANNUAL REPORT 2003-2004**

**44TH ANNUAL REPORT 2003-2004****“Request to the Shareholders”**

Members desirous of seeking any further information about the accounts and/or operations of the Company are requested to address their queries to the Secretary of the Company at least seven days in advance of the meeting so that the information, to the extent practicable, can be made available at the meeting.

Members are requested to bring this copy of the Annual Report to the meeting.

| <b>Contents</b>                         | <b>Page No.</b> |
|---|-----------------|
| Notice                                  | 2-3             |
| Annexure to Notice                      | 4-5             |
| Directors' Report                       | 6-8             |
| Annexure to Directors' Report           | 9-10            |
| Management Discussion & Analysis Report | 11-13           |
| Report on Corporate Governance          | 14-20           |
| Financial Highlights                    | 21              |
| Auditors' Report                        | 22-24           |
| Balance Sheet                           | 25              |
| Profit and Loss Account                 | 26              |
| Schedules 1 to 10                       | 27-39           |
| Cash Flow                               | 40              |
| Statement Pursuant to Section 212       | 41              |
| Consolidated Annual Accounts            | 42-58           |

**FUTURA POLYESTERS LIMITED****Board of Directors**

S. B. Ghia  
 M. D. Dalal  
 F. A. A. Jasdanwalla  
 S. S. Marathe  
 R. B. Raheja  
 N. S. Ghia  
 P. Abraham, IAS(Retd.)  
 Vispi Patel  
 Shyam Sunder Sami

*Chairman & Managing Director*  
*Jt. Managing Director*

*Nominee of IDBI*

**Company Secretary**

S. Ramachandran

**Bankers**

Bank of India  
 State Bank of India  
 Union Bank of India  
 Indian Bank  
 UCO Bank  
 Canara Bank  
 State Bank of Hyderabad

**Auditors**

Messrs. N. M. Rajji & Co.

**Registrar and Share Transfer Agents**

Tata Consultancy Services,  
 Park West-II, Raheja Estate,  
 Kulupwadi Road, Borivali (E),  
 Mumbai-400 066.  
 Phone: 56689743 Fax: 56689799

**Registered Office**

Paragon Condominium,  
 3rd Floor, Pandurang Budhkar Marg,  
 Mumbai-400 013:  
 Phone: 24922999 Fax: 24923142  
 E-mail: futuraho@futura polyester s.com  
 Website: www.futura polyester s.com



## NOTICE TO SHAREHOLDERS

**NOTICE** is hereby given that the 44<sup>th</sup> ANNUAL GENERAL MEETING of the Members of FUTURA POLYESTERS LIMITED will be held at Jaihind College Auditorium, "A" Road, Churchgate, Mumbai-400 020 on Tuesday 28<sup>th</sup> day of September, 2004 at 3.00 p.m., to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at and Profit and Loss Account for the year ended 31<sup>st</sup> March 2004 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. F. A. A. Jasdanwalla who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. S. S. Sami who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their Remuneration.
5. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution :

**"RESOLVED THAT** the consent of the Members be and is hereby accorded pursuant to the provisions of Sections 198, 269, 309, 314 and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") to the reappointment of Mr. Shyam B. Ghia as the Chairman & Managing Director of the Company, for a period of 5 (five) years with effect from 1st April, 2004 to 31<sup>st</sup> March, 2009 on the terms and conditions, including expressly the remuneration payable to him as Chairman & Managing Director and the minimum remuneration payable to him in case of absence or inadequacy of profits in any year, as set out in the explanatory statement and the Agreement entered into between the Company and Mr. Shyam B. Ghia, placed before this Meeting for the purpose of identification initialled by the Chairman thereof.

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

**"RESOLVED THAT** the consent of the Members be and is hereby accorded pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") to the reappointment of Mr. Mukund D. Dalal as Joint Managing Director of the Company, for a period of 5 (five) years with effect from 1st April, 2004 to 31<sup>st</sup> March, 2009 on the terms and conditions, including expressly the remuneration payable to him as Joint Managing Director and the minimum remuneration payable to him in case of absence or inadequacy of profits in any year, as set out in the explanatory statement and the Agreement entered into between the Company and Mr. Mukund D. Dalal placed before this Meeting for the purpose of identification initialled by the Chairman thereof.

### 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 A PROXY NEED NOT BE A MEMBER.
2. Proxies should be lodged at the Company's Registered office atleast 48 hours before the commencement of the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 14th September, 2004 to Tuesday, 28th September, 2004 (both days inclusive).
4. The relevant Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956 in respect of items 5 & 6 of the notice are annexed hereto.
5. As per the provisions of the Companies Act, 1956 nomination facility is now available for Shareholders in respect of the Shares held by them. Duly completed nomination forms should be sent to the Registrar and Share Transfer Agent of the Company namely Tata Consultancy Services.

# 44TH ANNUAL REPORT 2003-2004

## INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT:

As required under the listing agreement, the particulars of Directors, who are proposed to be appointed/re-appointed are given below:

|    |                |   |
|----|----------------|---|
| 1. | Name           | <b>Mr. Shyam B. Ghia</b>  |
|    | Age            | 56 Years.   |
|    | Qualifications | B. Sc.(Chem), M.B.A.<br>Bowling Green State University,<br>Ohio, U.S.A. |
|    | Expertise:     | Director since October 18, 1973.  |

### Directorship on the Board and Chairmanship/ Membership in Committees:

Futura Polyesters Limited (Investor Grievance Committee Member), Sonata Software Limited (Investor Grievance Committee Chairman, Audit Committee Chairman) Alkyl Amines Limited (Audit Committee Member, Investor Grievance Committee Member, Remuneration Committee Chairman) AVT Natural Products Limited (Audit Committee Member, Remuneration Committee Member), Brahmasonic Sound Production Pvt. Ltd., Chika Pvt. Ltd., Chika Overseas Pvt. Ltd. Innovasynth Technologies (India) Ltd., H. K. Finechem Ltd., G. P. Electronics Ltd., Kika Investments & Finance Pvt. Ltd., Standard Industries Ltd., Viraj Investments Pvt. Ltd., Novacell Life Sciences Ltd.

|    |                |                                  |
|----|----------------|----------------------------------|
| 2. | Name:          | <b>Mr. Mukund D. Dalal</b>       |
|    | Age:           | 47 Years.                        |
|    | Qualifications | B. E. (Chemical), MIT, U.S.A.    |
|    | Expertise:     | Director since January 01, 1988. |

### Directorship on the Board and Chairmanship/ Membership in Committees:

Futura Polyesters Ltd. (Investor Grievance Committee Member), Sonata Software Ltd. (Investor Grievance Committee Member).

|    |                |   |
|----|----------------|---|
| 3. | Name:          | <b>Mr. F.A.A. Jasdanwalla</b>                 |
|    | Age:           | 78 years                                      |
|    | Qualifications | B. Sc. Hons , M. A.(Met.) ,<br>A.I.M. London. |
|    | Expertise:     | Director since May 20, 1960.                  |

### Directorship on the Board and Chairmanship/ Membership in Committees:

Futura Polyesters Ltd. (Audit Committee Chairman, Remuneration Committee Chairman), Alfa Laval (India) Ltd. (Audit Committee Member, Investor Grievances Committee Member), Amzel Automotive Limited, Binani Metals Ltd., Bullows India Pvt. Ltd., Bullows Paint Equipment Pvt. Ltd., Empire Industries Ltd. (Audit Committee Member), Foseco Chemicals (India) Ltd., Heatly & Gresham India Ltd., Josts Engg. Co. Ltd. (Audit Committee Member), Yashmun Engineers Ltd.

|    |                |                              |
|----|----------------|------------------------------|
| 4. | Name           | <b>Mr. Shyam Sunder Sami</b> |
|    | Age            | 63 Years                     |
|    | Qualifications | B.A.( Economics) Hons.       |
|    | Expertise      | Director since July, 2003.   |

### Directorship on the Board and Chairmanship/ Membership in Committees:

Futura Polyesters Ltd. (Audit Committee Member, Remuneration Committee Member), M. M. Poonjiaji Spices Ltd.

Registered Office:  
Paragon Condominium,  
3<sup>rd</sup> Floor,  
Pandurang Budhkar Marg,  
Mumbai- 400 013.

Place: Mumbai  
Dated: 30<sup>th</sup> July, 2004.

By Order of the Board

**S. Ramachandran**  
Company Secretary

**ANNEXURE TO THE NOTICE****EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956.****ITEM NO. 5 & 6**

At the Annual General Meeting held on 29<sup>th</sup> day of September, 1999, the Members had approved the appointment of and remuneration payable to:

- (i) Mr. S.B. Ghia as Chairman & Managing Director of the Company for period of 5 years w.e.f. 1st April 1999.
- (ii) Mr. M.D. Dalal as Joint Managing Director of the Company for period of 5 years w.e.f. 1st April 1999.

The Board of Directors have approved, subject to members approval, re-appointment of the above for further period of 5 years on terms of appointment and remuneration which are summarised below :

| <b>A) PERIOD</b>       | <b>Mr. S. B. Ghia</b><br>5 years w.e.f. 1 <sup>st</sup> April 2004   | <b>Mr. M. D. Dalal</b><br>5 years w.e.f. 1 <sup>st</sup> April 2004  |
|------------------------|--|--|
| <b>B) REMUNERATION</b> | a) Rs.65,000/- p.m. as basic pay in the grade of Rs.50,000-5000-1,00,000 with liberty to the Board to grant additional increments in the scale as above. | a) Rs.55,000/- p.m. as the basic pay in the grade of Rs.50,000-5000-1,00,000 with liberty to the Board to grant additional increments in the scale as above. |

**and to each of them**

- b) Commission at the rate of 1 (one) per cent of the net profits, if any, of the Company;
- c) City compensatory allowance of Rs.1,800/- per month when based in Mumbai;
- d) Fully furnished residential accommodation (with furniture, fixtures and fittings) owned, leased or licensed by the Company (including repairs and maintenance thereof) OR, in lieu thereof a house rent allowance at the rate of 50% of the monthly basic salary;
- e) Reimbursement of gas, electricity and water charges as also furnishings evaluated as provided for in the Income-tax Rules, 1962;
- f) Use of 1 (one) motor-car with driver for the Company's business, all running operation and maintenance expenses thereof to be borne by the Company;
- g) Benefit of the Company's Provident Fund Scheme, and the Superannuation or Annuity Fund Scheme, for the time being in force together with the benefit of any retirement Fund or Scheme which the Company may introduce in future;
- h) Gratuity in accordance with the Rules of the Company;
- i) Reimbursement of actual medical expenses (including medical insurance, hospital/

nursing home/surgical and optical costs/expenses) incurred for self, family and dependant parents;

- j) Benefit of sick leave in accordance with the Rules of the Company;
- k) 30 (thirty) days' privilege leave with full pay and allowances for each year of service being accumulatable and encashable;
- l) Benefit of 1<sup>st</sup> class air/air-conditioned train, and/or such other mode of conveyance as the appointee may opt for, for self and family, while proceeding on privilege leave; together with hotel/board and lodging expenses incurred at actuals;
- m) Personal accident insurance cover at the cost of the Company provided the actual premium thereof does not exceed Rs.4,000 per year or such other amount as the Directors think fit;
- n) Use of 1 (one) telephone for the Company's business at the residence, Provided that the cost of personal long distance calls, if any, shall be reimbursed by the appointee to the Company;
- o) Fees (including entrance and subscription) of Clubs (subject to a maximum of 2 clubs) together with the benefit of all expenses incurred in or towards the business of the Company;

**44TH ANNUAL REPORT 2003-2004**

- p) No sitting fees will be paid for attending meeting(s) of the Board or Committee thereof;

PROVIDED that the remuneration aforesaid shall not in any financial year, exceed 5 (five) per cent of the net profits of the Company (where the Company has only one managerial personnel),

OR

10 (ten) per cent of the net profits of the Company (where the Company has more than one managerial personnel), for all of them put together.

**C) MINIMUM REMUNERATION**

The remuneration payable to each of Mr. S. B. Ghia and Mr. M. D. Dalal in case of absence or inadequacy of profits in any financial year is as follows:

The remuneration in B above including perquisites but save and except commission, shall, nevertheless, be paid as minimum remuneration for any financial year in case of absence or inadequacy of profits for such year, subject to the condition that such remuneration shall not, without the approval of the Central Government, if required, exceed ceiling limit computed on the basis of the effective capital of the Company as defined in the Explanation I under para 3 of Section II of Part II to Schedule XIII of the Companies Act, 1956 and as notified by the Government of India from time to time. PROVIDED that the under mentioned perquisites, namely:

- contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these, 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; and
- encashment of leave, at the end of tenure of service,

shall not be included in the computation of remuneration.

**D) OTHER TERMS**

- The appointee shall not, while he continues to hold office as Managing Director/Joint Managing Director be liable to retire by rotation as a Director of the Company.
- The appointees shall not without Board approval engage himself in any other business occupation

or employment of a nature similar to, or competing with the Company's business.

- The appointees shall not divulge or disclose any confidential information or knowledge obtained by him as to the business or affairs of the Company.
- If before the expiry of their respective Agreements, the tenure of office shall be determined for any reason other than those provided in subsection (3) of section 318 of the Companies Act, 1956, they shall be entitled to remuneration for the unexpired residue of their term or three years whichever is shorter, by way of compensation for loss of office.
- In the event the appointees die during the term of the Agreement, the Company shall pay to his legal heirs, full salary and other emoluments for that month and for three months thereafter.
- Either the appointees or the Company may terminate the Agreement by giving 90 days' notice in writing to the other without any cause.

**E) MEMORANDUM OF INTEREST**

Mr. S. B. Ghia and Mr. M. D. Dalal are interested in their respective re-appointments. Mr. N. S. Ghia being relative of Mr. S. B. Ghia, is interested in the re-appointment of Mr. S. B. Ghia. No other director is interested or may be deemed to be concerned or interested in the appointments mentioned hereinabove.

Your directors are of the view that the appointments of Mr. Ghia and Mr. Dalal will be in the interest of the company and accordingly recommend the resolutions at item nos. 5 & 6 for your acceptance.

The agreements between the company and each of Mr. Ghia and Mr. Dalal referred to in the resolution are available for inspection of members at the Registered Office of the Company during the company's normal business hours on all working days except Saturday.

Registered Office:  
Paragon Condominium,  
3<sup>rd</sup> Floor,  
Pandurang Budhkar Marg,  
Mumbai- 400 013.

Place: Mumbai  
Dated: 30<sup>th</sup> July, 2004.

By Order of the Board

**S. Ramachandran**  
Company Secretary





## DIRECTORS' REPORT

To  
The Members,

Your Directors submit the 44th Annual Report of the Company along with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2004. The highlights of financial results given below for the period 1<sup>st</sup> April 2003 to 31<sup>st</sup> March 2004 include the figures of the Chemicals division only for the period April to December, 2003 since the Division was transferred to Innovasynt Technologies (India) Limited. Hence the figures are not comparable with the last year's figures.

### 1. FINANCIAL RESULTS

|   | <b>(Rupees in lacs)</b> |                  |
|---|-------------------------|------------------|
|   | <b>2003-2004</b>        | <b>2002-2003</b> |
| Gross Profit/(loss) before interest & depreciation  | <b>689.46</b>           | 2,970.82         |
| Interest  | <b>2,561.50</b>         | 2,580.43         |
| Depreciation  | <b>1,876.57</b>         | 2,020.64         |
| Operating Profit/(loss)   | <b>(3,748.61)</b>       | (1,630.25)       |
| Profit/(loss) before tax (after adjustment of VRS & Profit on transfer of Chemicals Division) | <b>(2,386.26)</b>       | (1,931.92)       |
| Add: Excess Provision for tax for earlier years   | —                       | 4.13             |
| Provision for tax   | <b>2.50</b>             | 7.20             |
| Add: Deferred Tax Adjustment  | <b>2,188.15</b>         | 129.76           |
| Profit/(loss) after tax   | <b>(200.61)</b>         | (1,805.23)       |
| Balance of Profit brought forward from previous year  | <b>982.00</b>           | 2,787.23         |
| Surplus in P & L Account  | <b>781.39</b>           | 982.00           |
| Balance carried to Balance Sheet  | <b>781.39</b>           | 982.00           |

### 2. DIVIDEND :

In view of the operating loss incurred for the year ended 31<sup>st</sup> March 2004, your Directors do not recommend declaration of dividend for the year under review.

### 3. OPERATIONS :

The turnover (including other income) of the Company for the year was Rs. 42,013.75 lacs. The operating loss of Rs. 3,748.61 lacs during the year was mainly due to losses incurred by the Chemicals Division( for the period 1<sup>st</sup> April, 2003 to 31<sup>st</sup> December, 2003) and PET Resin business. The interest burden of Rs. 2,561.50 lacs still continues to be high. After adjusting the net loss of Rs. 200.61 lacs, the surplus in the Profit & Loss Account of Rs. 781.39 lacs has been carried to the Balance Sheet. The Chemicals Division has since been transferred to Innovasynt Technologies (India) Limited. The loss incurred by PET Resin division is attributable to steep rise in raw-material prices without corresponding increase in price of finished products.

### A. POLYESTER DIVISION :

After the transfer of Chemicals Division to Innovasynt Technologies (India) Limited, the Company's activities now consist of Polyesters, namely, Polyester Staple Fibre (PSF), PET Resin and PET Preforms in Chennai.

The PSF business continues to be buoyant and is on growth track. The turnover increased from 24,177 MT during the previous year to 30,539 MT during the year under review. The response to coloured fibres continues to be encouraging and the Company has developed several new specialty fibres catering to customers' requirements.

The PET Resin activity suffered a set back due to steep increase in raw material prices without corresponding increase in the price of finished goods. Though there was an increase in turnover (30,173 MT compared with 14,285 MT during the previous year) the operations resulted in a loss. Creation of additional capacities in the industry had resulted in highly competitive pricing for commodity Resins affecting the



## 44TH ANNUAL REPORT 2003-2004

margin. To overcome this problem, the Company has developed a number of specialty resins such as Fast Reheat Resin for High Speed blow moulding, Hot Fill Resin for fruit juice application, Wave PET Resin for dual ovenable trays, Jar Pet Resin (Poly Carbonate substitute) for 5 gallon water jars, Beer PET Resin with CO<sub>2</sub>/O<sub>2</sub> barrier, cationic dyeable resin/easy dyeable resin etc. for textile applications, Green PET Resin, with 20% recycled content for US eco-label compliance. Heavy Metal Free Resin and many more customized resins.

The PET performs business, which was showing a robust growth suffered during the year under review mainly due to controversy in regard to the alleged presence of pesticides residue in the beverages marketed by beverage companies. Due to the reduction in the offtake by these companies the Preforms turnover was 10,085 MT during the year under review compared with 16,630 MT during the previous year.

### B. CHEMICALS DIVISION :

The Chemicals division was transferred to Innovasynt Technologies (India) Limited with effect from 1<sup>st</sup> January, 2004. The financial results, therefore, include the losses incurred by the Chemicals division during the period April to December, 2003. This was due to historical reasons on account of high overhead costs associated with the closure of certain activities earlier in the said division. It is hoped that Innovasynt on stand alone basis, would be profitable in future. Judging from the response received from customers, present and prospective, it appears that this business would grow in due course of time.

### 4. SUBSIDIARY COMPANY :

Statement under Section 212 of the Companies Act 1956 in respect of subsidiary company Innovasynt Technologies (India) Ltd. is attached to this Annual Report.

### 5. CONSOLIDATION OF ACCOUNTS :

In accordance with the requirements of Accounting Standards AS-21 prescribed by the Institute of Chartered Accountants of India, the Consolidated Accounts of the Company and its subsidiary are annexed to the Annual Report. However, members wishing to have subsidiary company's Annual Report will be furnished a copy on request.

### 6. RIGHTS ISSUE OF EQUITY SHARES :

In order to meet the working capital needs of the Company, it has been decided to issue equity shares

on Rights basis at par to the existing shareholders of the Company in the ratio of 4 Rights shares for every 9 equity shares. On full subscription, the Issue will generate Rs. 14.87 crores and the Paid-up capital will stand increased to Rs. 48.34 crores.

### 7. FIXED DEPOSITS/LOANS :

As on 31st March 2004, the Company had an aggregate sum of Rs. 1,062.78 lacs as fixed deposits from public/shareholders. The total number of depositors who have not claimed/renewed their deposits on maturity was 374 and the amount that remained unclaimed /not renewed as on 31st March, 2004 was Rs. 39.97 lacs; of these, deposits amounting to Rs. 11.41 lacs have since been either repaid or / renewed.

### 8. INSURANCE :

Buildings, plant and machinery, raw materials and finished goods at the factories of the company have been insured.

### 9. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE :

The particulars prescribed by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are furnished in the Annexure to this report.

### 10. PERSONNEL :

None of the Company's employees was in receipt of remuneration aggregating to Rs. 24,00,000/- or more per annum or Rs. 2,00,000/- or more per month, during the year under review.

### 11. INDUSTRIAL RELATIONS :

Industrial relations remained by and large cordial throughout the year. The Directors wish to place on record their appreciation for the co-operation extended by the workmen, staff and officers at all levels.

### 12. DIRECTORS :

Mr. F.A.A. Jasdanwalla and Mr. Shyam Sunder Sami retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

### 13. DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to requirements under Section 217(2AA) of the Companies Act, 1956 ("the Act") with respect to Directors' Responsibility Statement, it is hereby confirmed:-



1. that in preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure.
2. that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of 31<sup>st</sup> March, 2004 and of the profit of the Company for the year to that date.
3. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. that the Directors had prepared the annual accounts on a going-concern basis.

**14. AUDITORS :**

You are requested to appoint auditors for the current year. M/s. N.M. Raiji & Co., Chartered Accountants, who retire, are eligible for reappointment.

**15. COST AUDITOR :**

The Central Government had directed that audit be carried out of the Cost Accounts maintained by the Company in respect of Polyesters by a qualified Cost Accountant. The Directors, subject to the approval of

the Central Government, have appointed Mr. P. D. Dani of P. D. Dani & Co. as Cost Auditor.

**16. CORPORATE GOVERNANCE :**

As required under Clause 49 of the Listing Agreement with the Stock Exchange, Mumbai, Corporate Governance and Management Discussion and Analysis Report form part of this Annual Report.

**17. COMPLIANCE CERTIFICATE :**

A Certificate from the auditors of the Company regarding compliance of conditions of corporate governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

**18. ACKNOWLEDGMENTS :**

Your Directors place on record their appreciation for the continuous support received from the Shareholders. Your Directors also express their appreciation for the assistance and co-operation received from the Governments at the Centre as well as the States, local authorities, Financial Institutions and Banks during the period under review.

For and on behalf of the Board

Place: Mumbai  
Dated: 30th June, 2004

**S. B. GHIA**  
CHAIRMAN