

22nd ANNUAL REPORT

2003-04

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POLYGENTA TECHNOLOGIES LTD

POLYGENTA TECHNOLOGIES LIMITED

BOARD OF DIRECTORS	:	Shri Santosh Kumar Maskara	<i>Chairman</i>
		Shri Subodh Maskara	<i>Managing Director</i>
		Shri Dinesh Sharma	<i>IFCI Venture Capital Nominee</i>
BANKERS	:	Dena Bank	
		Union Bank of India	
		State Bank of Bikaner and Jaipur	
REGISTERED OFFICE	:	2 nd Floor, Gandhi Mansion	
		Bomanji Master Road	
		Kalbadevi	
		Mumbai – 400 002.	
FACTORY	:	A – 5/4, MIDC,	
		Murbad, District – Thane (Maharashtra).	
		265/2, 266, Village – Avankhed,	
		Taluka – Dindori,	
		District – Nashik.	
		Pin – 422 201	
AUDITORS	:	M/s Lodha & Company	
		Chartered Accountants,	
		6, Karim Chambers,	
		40, Ambalal Doshi Marg, Mumbai – 400 023.	

POLYGENTA TECHNOLOGIES LIMITED

NOTICE

NOTICE is hereby given that the Twenty-second Annual General Meeting of Members of Polygenta Technologies Limited will be held on Friday, the 30th July 2004 at the Corporate office of the Company at 2nd Floor, Gandhi Mansion, Bomanji Master Street, Kalbadevi, Mumbai- 400 002 at 11.00 a.m. to transact the following business:

Ordinary Business: -

- 1) To consider and adopt the Directors Report and the Audited Profit and Loss Account for the year ended March 31, 2004 and the Balance Sheet as on that date.
- 2) To appoint Director in place of Mr. Santosh Kumar Maskara, who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To appoint Auditors and fix their remuneration.

By order of the Board of Directors

Paresh Damania
Company Secretary

Mumbai

Date : 29th June, 2004

Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. Proxies in order to be effective must be received by the Company not later than 48 hours before the meeting.
2. Members are requested to notify immediately any change in their addresses.
3. Shareholders desiring any information as regards the accounts are requested to write to the Company at an early date, so as to enable the management to keep the information ready.
4. Pursuant to provisions of Section 205C of the Companies Act, 1956, unpaid dividend for the financial year ended March 31, 1996 has been transferred to the Investor Education & Protection Fund of the Central Govt. .

Members who have not encashed the dividend warrants pertaining to the financial year ended 31.03.1997 are requested to make their claims to the Company or its Registrar viz. Mondkar Computer Services Pvt. Ltd. on or before 3rd September , 2004 for the financial year ended 31.03.1997. It may be noted that after such date no claim shall lie with the Company in respect of such amount.

POLYGENTA TECHNOLOGIES LIMITED**DIRECTORS REPORT**

To,
The Members of
Polygenta Technologies Limited,

The Directors have pleasure in presenting to you the **Twenty-second** Annual Report and Audited Accounts for the accounting year ended March 31, 2004.

1. FINANCIAL RESULTS

	2003-2004 Rs.	2002-2003 Rs.
Sales & Other Income	1,349,233,518	1,550,951,250
Profit /(Loss) before Depreciation & Interest	(37,259,199)	(23,136,435)
Depreciation	29,376,810	32,225,295
Borrowing Cost	409,001	195,084,455
Profit / (Loss) before tax	(67,045,010)	(250,446,185)
Provision for Wealth tax	—	5,010
Loss for the Year before Exceptional Items	(67,045,010)	(250,451,195)
Tax Adjustment relating to earlier years	(32,155)	6,022
Exceptional Items	204,188	3,946,754
Balance of loss b/f from previous year	(856,161,635)	(609,663,216)
BALANCE OF LOSS CARRIED TO THE B/ S	(923,034,612)	(856,161,635)

2. DIVIDEND

In view of the losses during the year, your Directors do not recommend declaration of dividend for the year ended March 31, 2004.

3. OPERATIONS AND PROJECTS**a) Murbad Unit :**

During the year under review, the operation of Murbad unit has continued to be under closure. The Company has revalued the assets through Government registered approved valuer. Company has also requested Operating Agency to appoint nominee to enable it to constitute Asset Sale Committee for the disposal of the asset of the Murbad Unit.

b) Polyester (PET) Chips Project :

The **PET chips** project continues to be under temporary closure. The Arbitration award has been finalized by the ICC Court and a sum of Euro 233,915 has been awarded, being 10 % of the contract value, this is against the companies claim of nearly US \$ 40 million. However Inventa Fischer having moved to Mumbai High Court for suspension of the Award and having failed therein were allowed time to file a revision petition with appropriate Court/ Bench. We are however hopeful of recovering the amount awarded and use the same towards the rehabilitation of the company. At present your company is evaluating various options to salvage the investments made.

c) Electronic Division :

The Company is having facilities for manufacturing televisions. During the year the Company has supply contracts with most of the major Companies and are a preferred Electronic Manufacturing Services Company (EMS) for leading brands. The margins of the company continue to be under pressure. Due to a logistics disadvantage your company has vis-à-vis its competitors, a change of location may be necessary to survive in the long term.

4. EXPORTS

There were no exports of goods during the year.

5. DISCLOSURE OF PARTICULARS

Information as per the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to conservation of energy, research & development, technology absorption, foreign exchange earnings and outgo are given in Annexure 'I' forming part of this report.

6. PARTICULARS OF EMPLOYEES

Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, is not applicable to the Company as there are no employees drawing remuneration of more than Rs. 24,00,000/- per annum.

7. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Mr. Santosh Kumar Maskara retire by rotation and being eligible, offers himself for re-appointment.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The statement as required under Section 217 (2AA) of the Companies Act, 1956 is given in Annexure 'II' forming part of this Report.

9. AUDITORS

Messer's. Lodha & Co. Auditors of the Company retire at the ensuing AGM and are eligible for reappointment. Members are requested to appoint Auditors and to fix their remuneration.

10. AUDITORS QUALIFICATION

Refer qualification for 3(f) regarding interest payable of Rs.2755.26 lacs to Financial Institutions/ Banks and certain unsecured lenders. As explained in Point No. 3 (b) above, the arbitration award is received for a very low amount. In view of this the Management is hopeful of getting substantial relief from Banks/Financial Institutions. The Management is of the opinion that Interest provided upto 31/03/2003 will be more than sufficient to cover the liability.

The other qualifications given in the Auditors report are self explanatory and are further explained in detail in the notes to accounts given in schedule '18' and therefore do not call for any other comments.

11. FIXED DEPOSITS

The Company has not accepted / renewed any deposits from the public during the year.

12. REGISTRATION WITH BIFR

The company continued to be under the purview of BIFR. The accumulated losses of your Company as per the audited accounts for the year ended 31st March 2004 amounted to Rs.92.30 Crores which exceeds the net worth of the Company amounting to Rs 22.25 Crores

13. INSURANCE

The Company has insured its assets with insurance companies.

14. CORPORATE GOVERNANCE

Your Company has complied with the Corporate Governance requirements stipulated under Clause 49 of the Listing Agreement. Report on Corporate Governance is annexed as Annexure 'III' forming part of this Report.

POLYGENTA TECHNOLOGIES LIMITED**15. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT**

Management Discussion and Analysis Report as required under the Listing Agreement with the Stock Exchange is annexed as Annexure 'IV' forming part of this Report.

16. INDUSTRIAL RELATIONS

Cordial Industrial relations continued to prevail throughout the financial year under review.

17. ACKNOWLEDGEMENT

The Board wishes to place on record its appreciation of the valuable co-operation extended to the Company by the employees of the Company, Government Departments, Lending Institutions, Bankers, Suppliers and Customers for their support in the times of difficulty faced by the Company.

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai

Date : 29TH June 2004.

SUBODH MASKARA
MANAGING DIRECTOR

ANNEXURE 'I' TO DIRECTORS' REPORT

ADDITIONAL INFORMATION AS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

1. CONSERVATION OF ENERGY**(a) ENERGY CONSERVATION MEASURES TAKEN**

Procured a 40 KVA DG for sole objective to be used for the purpose of base load for optimum utilization & saving of fuel (against 82.5 KVA used earlier)

(b) Additional Investments & Proposals, if any, being implemented for Reduction of Consumption of Energy: Investment : 2,12,280, Proposal: Rs.Nil

(c) The adoption of energy conservation measures indicated above has resulted in savings in the cost of production in the coming years.

(d) Total energy consumption and energy consumption per unit of Production as per Form A for disclosure of particulars w.r.t. Conservation of Energy.

Part 'A'**I. Power and Fuel Consumption**

	Current Year	Previous Year
1. a) Electricity		
Purchased Units (KWH)	N A	N A
Total Amount (Rs. in Lacs)	N A	N A
Per Unit (Rs.)	N A	N A
b) Own Generation Through Diesel Generator		
Units (Lacs)	1.84	1.93
Units per unit of fuel	3.18	3.10
Cost/Units (Rs)	8.26	7.25
2. L.D.O.		
Purchased Units (K.Ltrs.)	N A	N A
Total Amount (Rs. in Lacs)	N A	N A
Average rate per Ltr (Rs.)	N A	N A

3. Furnace Oil

Purchased Units (K.Ltrs.)	N A	N A
Total Amount (Rs. in Lacs)	N A	N A
Per Unit (Rs.) (Per K.Ltrs.)	N A	N A

Part 'B'**Consumption per unit of Production**

	2003-04	2002-03
Electricity (KWH)		
Texturising / Twisting	N.A	N.A.
PET Chips / POY	N.A	N.A
Television/VCD	1.08	0.83

Note : The Company manufactures different product mix and separate power meter are not installed for each product. Hence actual consumption for each product is not available.

Foreign Exchange Earnings and Outgo :

	2003-04	2002-03
Total Foreign Exchange Earned (Rs)	—	—
Total Foreign Exchange used (Rs)	33,461,548	14,659,916

3. TECHNOLOGY ABSORPTION ADAPTATION AND INNOVATION : NIL

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai

Date : 29TH June 2004.

SUBODH MASKARA
MANAGING DIRECTOR

ANNEXURE 'II' TO DIRECTORS' REPORT

Directors' Responsibility Statement as required under section 217(2AA) of the Companies Act, 1956 :

- That in the preparation of the annual accounts for the Year ended March 31, 2004, the applicable accounting standards have been followed. There are no material departures from the applicable accounting standards;
- That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit /loss of the Company for that year;
- 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;
- That the Directors had prepared the annual accounts on a going concern basis.

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai

Date : 29TH June 2004.

SUBODH MASKARA
MANAGING DIRECTOR

POLYGENTA TECHNOLOGIES LIMITED**ANNEXURE 'III' TO DIRECTORS' REPORT****REPORT ON CORPORATE GOVERNANCE****(1) Company's Philosophy on Corporate Governance Code**

The Company's philosophy on Corporate Governance is sustained growth, transparency, disclosure, internal controls and internal and external communications, and high standards of accounting fidelity. The Company also complies with the listing requirements of the stock exchange where its shares are listed. The following is a report on the status and progress on major aspects of Corporate Governance.

(2) Board of Directors

The Composition of the Board of Directors of the Company meets the stipulated requirements

Name of Director(s)	Category of Directorship	No. of other directorship	No. of Committee membership/ Chairmanship	No. of Committee membership/ chairmanship in all other companies	No. of Board Meetings attended	Attendance at last AGM
Mr.Santosh Maskara, <i>Chairman</i>	Non-Executive	5	3	—	6	Yes
Mr. Subodh Maskara <i>Managing Director</i>	Executive	Nil	1	—	6	Yes
Mr. Dinesh Sharma, <i>Nominee Director</i> (IFCI-Venture Capital)	Non-Executive Independent	8	3	5	4	No

There were six Board meetings held during the year ended 31.03.2004. These were on 30.04.2003, 26.07.2003, 05.09.2003, 21.10.2003, 18.11.2003 & 29.01.2004. The last Annual General Meeting (AGM) was held on 30.09.2003.

3. Audit Committee

Since the Company has three Directors only the Audit Committee constituted consists of all the three Directors which includes one executive Director. The said committee was set up by the Board of Directors on 22.04.2001. Terms of Reference of the Audit Committee are as per the guidelines set out in the listing agreements that inter alia, include overseeing financial reporting processes, reviewing with the management the financial statements, accounting policies and practices, adequacy of internal control systems, adequacy of internal audit function and discussion with internal auditors on any significant findings, financial and risk management policies. During the year ended 31.03.2004, five Audit Committee meetings were held. These were held on 30.04.2003, 26.07.2003, 05.09.2003, 21.10.2003 and 29.01.2004.

Name of Director	Profession	No. of meetings attended
Mr. Dinesh Sharma, Chairman	Service	4
Mr. Subodh Maskara	Industrialist	5
Mr. Santosh Maskara	Industrialist	5

4. Shareholder Grievance and Share Transfer Committee Meeting:

The Board has constituted a "Shareholders Grievance & Share Transfer Committee" on 22.04.2001 which looks into shareholders and investors grievances. Composition and attendance at the meeting of the said Committee are as under :

Name of Director	No. of meetings attended
Mr. Santosh Maskara, Chairman	9
Mr. Dinesh Sharma	9
Mr. Paresch Damania, Company Secretary acts as Compliance Officer	

There were two complaints received during the year which were solved to the satisfaction of shareholders. Number of pending share transfer as on 31.03.2004 was nil.

5. Remuneration Committee

Remuneration Committee was formed to review the remuneration paid to Managing / Wholtime Director from time to time.

Remuneration committee Meeting was held on July 26, 2003, to review the remuneration of Mr. Subodh Maskara, Managing Director

POLYGENTA TECHNOLOGIES LIMITED

Name of Directors :

1) Mr. Dinesh Sharma, Chairman

2) Mr. Santosh Maskara

Both Directors attended the Meeting.

Details of remuneration paid to Managing Director.

Mr. Subodh Maskara, Managing Director was paid Rs.10,08,000/- as remuneration for 2003-04 as under:

Salary 9,00,000

Co's contribution to PF 1,08,000

He was appointed at the AGM held on April 30, 2001 for a period of 5 Years from April 3, 2001 to April 2, 2006

6. General Body Meetings

The previous three Annual General Meeting were held at 2nd Floor, Gandhi Mansion, Bomanji Master Street, Kalbadevi, Mumbai - 400 002 as per details given below:

Year	Day	Date	Time
2001	Monday	30.04.2001	10.00 a.m.
2002	Tuesday	30.07.2002	11.00 a.m.
2003	Tuesday	30.09.2003	11.00 a.m.

No Special Resolutions were passed during the last 3 AGM except in AGM held on 30th April, 2001 whereby approval of ROC was sought for change of the name of the Company from Maskara Industries Limited to Polygenta Technologies Ltd. Subsequently, the Company received necessary approval.

No Special Resolution was put through postal ballot last year nor proposed this year.

7. Disclosures

There are no transactions, carried out during the year with any related parties i.e. Promoters, Directors, Relatives, Subsidiary, or Management except payment of remuneration to MD in normal course of business.

The Company has complied with the requirements of Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the said authorities.

8. Means of Communication

The quarterly results are usually published in Free Press Journal (English Newspaper) and Navshakti (Marathi Newspaper).

9. General Shareholder Information

A. 22nd Annual General Meeting - Day, Date, Time and Venue

Day	Date	Time	Venue
Friday	30 th July, 2004	11.00 am	2 nd Floor, Gandhi Mansion, Bomanji Master Street, Kalbadevi, Mumbai - 400 002.

B. Financial Calendar

Financial Year 1st April to 31st March

Adoption of Quarterly

Results for quarter ending :

June, 2004 Last week of July, 2004

September, 2004 Last week of October, 2004

December, 2004 Last week of January, 2005

March, 2005 Last week of April, 2005

Annual Book Closure 16.08.2004 to 19.08.2004 (Both days inclusive)

Dividend Payment Date Not Applicable as no dividend is recommended.

C. Listing on Stock Exchanges :

The equity shares of the Company are listed on the Stock Exchange, Mumbai.

Stock Code : 514486

The Company has paid the annual listing fees for the year 2004-05 to the said exchange.

D. Market Price Data :

Month	Bombay Stock Exchange		BSE Sensex	
	High	Low	High	Low
March 2004	12.00	10.75	5951	5325

The Company's shares were not traded on the Stock Exchange on daily basis hence the high and low prices of the shares are given as and when the shares were traded.

E. Registrar & share Transfer Agents :

The name and address of Share Transfer agents is as under:

M/s Mondkar Computers Pvt. Ltd.
21, Shakil Niwas, Opp. Satya Saibaba Temple
Mahakali Caves Road, Andheri (E)
Mumbai : 400 093
Phone No.: 28257641 / 28366620
Telefax: 28211996

F. Share Transfer system:

With a view to expedite the process of share transfers, the Board of Directors has delegated the power of share transfer to Share Transfer Agents. The shares for transfer are transferred expeditiously within 3 weeks.

G. Dematerialisation of Shares

The Company has entered into a contract with CDSL. As on 31/03/2004, 6.28% of shares are held in Dematerialized form

H. Shareholding Pattern as on 31.03.2004 :

Category	No. of Shares	%
Promoters	6,120,000	31.50%
Bodies Corporate	3,026,500	15.57%
NRIs/OCBs	5,293,788	27.25%
Banks, Financial Institutions	508,580	2.62%
Mutual Funds	3,000,000	15.44%
Public	1,480,320	7.62%
Total	19,429,188	100.00%

POLYGENTA TECHNOLOGIES LIMITED**I. Distribution of Shareholding as on 31st March, 2004:**

Share Holding (Rs.)		Share Holders		Share Holdings		Share Amount	
		Number	% of Total	Holdings	% Total	Rs.	% Total
1		2	3	4	5	6	7
Upto 500	500	991	81.564	154,150	0.793	1,541,500	0.793
500 - 1,000	1,000	66	5.432	55,600	0.286	556,000	0.286
1,001 - 2,000	2,000	36	2.963	60,000	0.309	600,000	0.309
2,001 - 3,000	3,000	25	2.058	66,700	0.343	667,000	0.343
3,001 - 4,000	4,000	7	0.576	26,500	0.136	265,000	0.136
4,001 - 5,000	5,000	5	0.412	23,500	0.121	235,000	0.121
5,001 - 10,000	10,000	23	1.893	199,200	1.025	1,992,000	1.025
10,001 and above		62	5.103	18,843,538	96.986	188,435,380	96.986
TOTAL		1215	100.000	1,94,29,188	100.000	19,42,91,880	100.000

Liquidity of Shares : The Equity Shares of the Company are included under Z category at The Stock Exchange, Mumbai.

10. Plant locations :

Gate No. 265/2,266, Village – Avankhed, Taluka – Dindori, Dist – Nashik – 422 201.

11. Address for Correspondence:

The shareholders may address their communications/suggestions/grievances/queries to :

The Company Secretary,
Polygenta Technologies Limited
2nd Floor, Gandhi Mansion,
Bomanji Master Street, Kalbadevi,
Mumbai – 400002

OR

The Registrar & Transfer agents
M/s Mondkar Computer Services Pvt. Ltd
25, Shakil Niwas,
Opp. Satya Saibaba Temple
Mahakali Caves Road,
Andheri (East), Mumbai – 400 093

12. AUDITORS' REPORT ON CORPORATE GOVERNANCE:**Certificate**

To the Members of
Polygenta Technologies Ltd.
Mumbai

We have examined the compliance of conditions of corporate governance by Polygenta Technologies Ltd., for the year ended on 31st March, 2004, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement except that since the Company has three Directors only, Audit Committee constituted consists of all the three Directors which includes two non-independent Directors (one of them being the Managing Director) which is in non-compliance with the requirements of Listing Agreement with the Stock Exchange.

We state that no investor grievance is pending for a period exceeding one month against the company as per the records maintained by the Company and as presented to Shareholders/ Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For **LODHA & COMPANY**
Chartered Accountant

R.P. Baradiya
Partner
M.No. 44101

Mumbai
Dated: 29th June, 2004

POLYGENTA TECHNOLOGIES LIMITED

ANNEXURE 'IV' TO DIRECTORS' REPORT MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Developments:

The Indian consumer electronics industry is growing at a scorching pace, it is at a threshold where due to multiple factors the growth is expected to explode during the next few years. This has created lot of interest from various Multinationals for selling their products in this market. And for all of them, getting the products manufactured from an OEM is the best option.

Most brands are now outsourcing production to manage their costs, logistics, and market response time and product mix. To capitalize on this growing trend, the Company has positioned itself to be the leading OEM (Original Equipment Manufacturer) supplier in India. In the 3 years of its presence in the market, the company has created for itself a clear position, as one of the best OEMs for Consumer Electronics products. The Company is having supply contracts with leading brands like LG, SONY, SAMSUNG, Thomson, TCL, ONIDA, and SALORA, some of the best brands in the World.

Opportunities & Threats:

India represents an excellent potential for growth due to the following reasons:

- Very low levels of television penetration as compared to similar economies in Asia; The Indian Color Television market is quite small (less than 8mn units) in size, as compared to other countries such as China (30mn units) and the US market (22Mn units).
- Over the last year, CTVs grew 8.1 per cent in volume while value growth was a mere 0.1 per cent. Of this, the flat segment, which contributes 12 per cent to CTV sales, has been growing at a scorching pace by 98.5 per cent. In 2003, 8.52 lakh units of flat TVs were sold.
- Proliferation of television channels delivering good source of entertainment; the average viewer-ship being 2 hours per day in India.
- Rapid penetration of cable network across the length and breadth of India to deliver content to houses. With the advent of DTH, rural India will see a very high increase in CTV sales. Moreover, the government is introducing the CAS, which will give viewers more selective access to entertainment.
- The average CTV ownership in China per household is around 200%. In India this is lower than China as the total penetration of TV is 32% only.
- Also with the rise in personal disposable income of the Indian middle income class and ease of availability of finance has contributed to this growth.

The CTV market for the current year is likely to grow at around 15%. Keeping in mind the expected rate of growth of the industry the Company expects to considerably increase the last year's performance and position itself as a formidable player in this segment. The Company is also positioning itself to outsource the expertise developed for setting up the manufacturing facility and efficient running of the same.

As the industry grows and brand owners look for strong OEM partners, it becomes very important for the company to provide value adding services to its customers. The company is aiming to position itself as a one stop shop for various customer requirement and become a TOTAL OEM Solution provider by providing Purchase, Logistics, Warehousing and After Sales Services facilities to its clients.

Risks and Concerns:

The management and the workers at the shop floor share a vision that the Company intends to become one of the leading OEM (Original Equipment Manufacturers).

The major concern with respect to the business of the Company is to increase the production capacity in view of the growing demand of the requirements of existing clients and the association with new reputed clients with the lowest and most efficient cost structure. The Company is confident to achieve its target for the ensuing year assuring the highest possible standards.

Another concern is lack of experience in the value added propositions such as Logistics and Distribution, After Sales Service of products. However, the Company has already made dedicated teams of people working on these projects and is very confident of starting these in a phased manner during the next year.

Segment-Wise Performance:

Business segment as primary segment:

Sr. no.	Segment	Sales Revenue (Rs.in lakhs)
1.	Electronic Division	134.68.90
2.	Polyster Division	-

Internal Control Systems and their Adequacy:

The company is constantly enhancing its internal control system commensurate with its size and nature of business with regard to purchase of stores, raw materials including components, plants and machinery, equipments and other assets.

The Company has during the year implemented BaaN ERP System for better internal control and transparency.

Financial and Operational Performance:

The sales turnover of the company has reduced to Rs.135 crores as compared to Rs.155 crores for the previous year. This is mainly on account of higher demand in the year 2002-03 due to cricket world cup. Also there has been reduction of around 10-15% in the pricing of the product.

Human Resource Development and Research Activities:

Continuous training emerged as a priority in a rapidly changing external environment. The Company initiated its process of assessing the training needs from the performance appraisal feedback forms and efficiency checks in a small way. The Management strongly feels that the company's strength lies in its human resource. Promoted, directed and managed by technocrats, it is ably supported by 121 employees in various areas of expertise.

The Company has also initiated various employee motivation programs for developing Performance Driven Culture. The Company has always initiated major steps for the welfare of the employees to generate a feeling of belongingness towards the family of Polygenta Technologies Ltd.

Armed with this resource base and a vision to be India's leading OEM of Colour Television, Polygenta Technologies Ltd is setting higher targets every year. With a commitment to growth and excellence, it won't be left far behind.

ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT / REAPPOINTMENT OR SEEKING ELECTION AT THE ANNUAL GENERAL MEETING AS PRESCRIBED UNDER THE LISTING AGREEMENT

Following is the brief resume of the Director seeking re-election or re-appointment as Director/Managing/Joint Managing / Wholetime Director :

Mr. Santosh Maskara, aged 59 years, and has over 36 years of diverse business experience. He is a commerce graduate and is the main promoter of the company. His business acumen, entrepreneurial zeal and organizational skill have been instrumental in helping the company achieve significant growth. He is presently the Chairman of the Board of Directors.