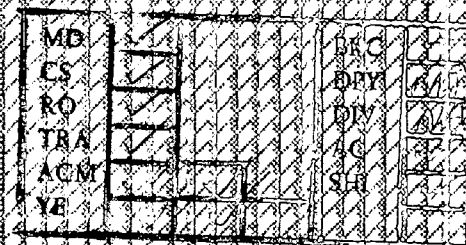


13th Annual Report





**BOARD OF DIRECTORS**

M.Narasimham, Chairman
 Sadanand A Shetty
 Kum.Kala S Pant (Nominee of IDBI)
 Usha Venkatesan (Nominee of UTI)
 A.P.Sarwan
 P.C.D.Nambiar
 T.Venkateswara Rao
 B.Sivaramakrishnaiah
 Krishna Prasad Tripuraneni, Managing Director

COMPANY SECRETARY & MANAGER (LEGAL)

R. Jayaraman

AUDITORS

Brahmayya & Co.
 Chartered Accountants
 Chennai

LEGAL ADVISER

T.Raghavan
 Advocate
 Chennai

BANKERS

Central Bank of India
 State Bank of India
 Indian Bank

REGISTERED OFFICE

Mittapalem, Narasingapuram P.O.
 Chandragiri Taluk
 Chittoor District
 Andhra Pradesh
 Pin 517 102

CORPORATE OFFICE

52, Chambers Road
 Chennai - 600 028

CERAMICS DIVISION

Mittapalem, Narasingapuram P.O.
 Chandragiri Taluk
 Chittoor District
 Andhra Pradesh
 Pin 517 102

GRANITES DIVISION

Gudapakkam
 Puduchatiram (Post)
 Chinglepet District
 Tamilnadu - 602 107

SHARE TRANSFER AGENTS

M/s.Integrated Advisory Services Ltd.,
 'Park View' Basement II
 85, G N Chetty Road
 T.Nagar.
 Chennai - 600 017

CONTENTS

1. Board of Directors	1
2. Notice to Members	2
3. Directors' Report	8
4. Auditors' Report	13
5. Balance Sheet	16
6. Profit and Loss Account	17
7. Schedules to Balance Sheet and Profit & Loss Account	18
8. Notes on Accounts	25
9. Accounts of Neycer	35

Notice to Members

NOTICE is hereby given that the Thirteenth Annual General Meeting of the Members of Spartek Ceramics India Limited will be held at 11:00 A.M. on Wednesday the 24th December, 1997 at Hotel Mayura, 204-209 T.P Area, Tirupati - 517 501, Andhra Pradesh to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Profit and Loss Account for the year ended 31.03.97 and the Balance Sheet as on that date and the Report of the Auditors thereon and Directors' Report.
2. To appoint a Director in place of Mr. T. Venkateswara Rao, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. P.C.D. Nambiar, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and fix their remuneration. M/s. Brahmayya & Co., Chartered Accountants, Chennai retire at this Annual General Meeting and are eligible for reappointment.

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 in addition to the resolutions passed at the Fourth Annual General Meeting held on 29.12.1987, Ninth Annual General Meeting held on 29.12.1992 and Extra Ordinary General Meeting held on 14.7.94 the consent of the Company be and is hereby further accorded under section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the Company to Mortgaging, hypothecating, charging and pledging and/or also to create liens, charges, and all other encumbrances of whatsoever nature, on all or any of the Company's assets and properties whether immovable, movable, current assets or Stock-in-trade (including raw-materials, stores, spare parts and components, in stock or in transit) and work-in-progress and the whole or substantially the whole of all or any of the undertakings of the Company wheresoever situate, in present or in future together with power to take over the management of the business and concern of the Company in certain events in such form and in such manner as the Board may think fit and proper, in favour of the following:

- 1) State Bank of India(SBI)
- 2) Central Bank of India(CBI)
- 3) Indian Bank(IB)
- 4) The Industrial Credit and Investment Corporation of India Limited(ICICI)
- 5) Industrial Development Bank of India(IDBI)
- A) To secure the enhanced working capital facility limits
 - i) provided by SBI for Rs. 512 lacs
 - ii) provided by CBI for Rs. 1,116 lacs
 - iii) provided by IB for Rs. 242 lacs and Rupee term loan
 - iv) provided by ICICI for Rs. 550 lacs
 - v) provided by IDBI for Rs. 450 lacs

together with interest, penal interest, liquidated damages, costs, expenses payable by the Company to SBI/CBI/IB/ICICI/IDBI."

- B) To the Board of Directors of the Company agreeing that all or any of the said SBI/CBI/IB/ICICI and IDBI in terms of the respective agreements/hypothecation, agreements/letters of sanction/memorandum of terms and conditions to reserve the right to take over the management of the business and concern of the Company in certain events.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorised to finalise with the SBI/CBI/IB/ICICI and IDBI all documents for creating aforesaid mortgage and/or charge and to do all such acts and things as may be necessary for giving effect to the Board Resolution."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to sign and execute such documents and to do all such acts and things as may be necessary for giving effect to the above Resolution."

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

"RESOLVED THAT as an amendment to Special Resolution passed at the Annual General Meeting held on 31st December, 1996 appointing Mr. Krishna Prasad Tripuraneni as the Managing Director and approving terms of his remuneration including house rent allowance



of Rs.45,000/- per month; it is now proposed that instead of house rent allowance, he should be allowed to receive HRA of Rs.45,000/- per month or be entitled for a company leased accommodation for a value not exceeding the same Rs.45,000/- per month with retrospective effect from his date of appointment on 01/01/1997."

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

"RESOLVED THAT in terms of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 and subject to such guidelines, approvals and consents of the Government of India, Reserve Bank of India (RBI), the Securities and Exchange Board of India (SEBI), and/or any other authority as may be applicable or required and subject to such terms, conditions and modifications, as may be considered necessary, proper or expedient by the Board of Directors (Board) of the Company and/or as may be imposed or prescribed by the Government of India, RBI, SEBI and/or other authority for granting such approvals and consents, the consent of the Company be and is hereby accorded to the Board to offer, issue and allot Foreign Currency Convertible Bonds (FCCBs) and the interest at Libor + 350 basis points to be paid in US\$/Swiss Franks and/or any other instrument or FCCBs at such coupon rate and subject to such terms and conditions as may be approved by Government and/or SEBI on preferential basis for a value of Rupees Fifty Crores, with further authorisation to retain and allot additional bonds upto 25% of the above value in the event of oversubscription to Sparta Holdings (Mauritius) Limited and/or to other "Foreign Investors" (which term shall include NRIs, OCBs and Companies incorporated outside India) in one or more tranches, at such price (not being less than the minimum issue price as prescribed by SEBI's guidelines) on such terms and conditions and carrying such rights and obligations as the Board think fit."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to alter, amend or modify any of the terms and conditions of the above including interest, tenure, conversion of the FCCBs subject to the approval of the concerned authorities such as Government, SEBI as may be necessary in this regard."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board or any Committee thereof or any director or other person which/who the Board may constitute or

authorise for this purpose be and is/are hereby authorised to do all acts, deeds and things and to take all steps and give such directions as may be necessary and to settle all questions or difficulties that may arise in such manner as the Board or such Committee, Director or Authorised Person in its sole discretion may deem fit."

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

"RESOLVED THAT in terms of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 and subject to such guidelines, approvals and consents of the Government of India, Reserve Bank of India (RBI), the Securities and Exchange Board of India (SEBI), and/or any other authority as may be applicable or required and subject to such terms, conditions and modifications, as may be considered necessary, proper or expedient by the Board of Directors (Board) of the Company and/or as may be imposed or prescribed by the Government of India, RBI, SEBI and/or other authority for granting such approvals and consents, the consent of the Company be and is hereby accorded to the Board to offer, issue and allot Preference Shares of Rs.10/- each for cash at par on preferential basis for an aggregate value of Rupees Twelve Crores to Indian Resident Investors, Corporate Bodies, Sparta Holdings (Mauritius) Limited and/or to other "Foreign Investors" (which term shall include NRIs, OCBs and Companies incorporated outside India) in one or more tranches, at such price (not being less than the minimum issue price as prescribed by SEBI's guidelines, if any) on such terms and conditions and carrying such rights and obligations as the Board thinks fit."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to apply for listing the above Preference Shares upon allotment at the Stock Exchanges where the shares of the Company are presently listed."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to alter, amend or modify any of the terms and conditions of the above including interest, tenure of the above Preference Shares subject to the approval of the concerned authorities such as Government, SEBI as may be necessary in this regard."

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

"RESOLVED THAT in terms of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 and of the Articles of Association of the Company and subject to such approvals, permissions and/or sanctions of Financial Institutions, SEBI, RBI and other authorities, and subject to the Guidelines of SEBI issued from time to time the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called 'Board' which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution) to offer such number of Equity Warrants to Sparta Holdings Limited and or its/their Associates (hereinafter referred to as 'Promoters'), which may include 'Foreign Investors' (which term shall include NRIs, OCBs and Companies incorporated outside India) entitling them to subscribe upto Forty Lakhs equity shares of Rs.10/- each in the Company in such manner and upon such terms and conditions as are hereinafter contained:

- i) The Equity Warrants as aforesaid, may be offered with an option permitting them to refuse/subscribe in cash for Forty Lakhs Equity Shares of Rs.10/- each (hereinafter referred to as 'Warrant').
- ii) The holders of each warrant shall be entitled to apply for and obtain at their sole discretion One Equity share of Rs.10/- at such price as determined by SEBI pricing formula for warrants.

If such option is not exercised in the manner prescribed within the period fixed by the Board in accordance with guidelines, if any, the warrants shall lapse to the extent of the shares not so taken up or paid for.
- iii) The option attached to the warrants shall not be transferred or otherwise disposed off to any other party save and except to a party within the above persons and the option may be exercised in such manner and in such proportion as the above persons may at their absolute discretion decide.
- iv) The above persons shall be entitled to exercise their option in full or in part or may decline to exercise their right in which case offer shall be deemed to have lapsed.
- v) The new equity shares issued in pursuance of the exercise of the warrants shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with the existing issued and subscribed equity shares of the Company save and except that they shall

qualify for dividends, if any, that may be declared for the financial year in which such equity shares are issued and allotted prorata for the period during which such capital is paid-up.

- vi) In the event that prior to the allotment of Equity Shares to the above persons on exchange with the warrants, any Equity Shares are issued and allotted by the Company to the holders of its existing shares as Right Shares (hereinafter referred to as 'the said Right Shares') and/or as Bonus Shares, the above persons holding the Warrants shall be issued by the Board such additional warrants (hereinafter referred to as 'the Additional Warrants') entitling the holders, to the extent of and subject to their taking up and paying for the Shares offered under the warrants to further equity shares in the proportion and subject to the same conditions including conditions as to the price and the payment thereof mutatis mutandis as the Right Shares are offered and allotted to the holders of the existing shares of the Company and/or shall be allotted the said Bonus Shares in the same proportion as the holders of the existing equity shares of the Company and this resolution shall be deemed to have approval, in terms of Section 81(1A) of the Companies Act, 1956 to offer and/or issue and/or allot as many Equity Shares of Rs.10/- each of the Company as are required to satisfy the allotment of Equity Shares in respect of the Additional Warrants over and above Forty Lakhs Equity Shares comprised in the promoters issue and all such Equity Shares rank pari passu in all respects with the existing Equity Shares of the Company except that with respect to dividends declared for the financial year of the Company in which the said Equity Shares are allotted, they shall qualify for dividends only on a pro-rata basis from the date of such allotment.
- vii) In the event of any new/fresh equity issue by the Company to persons other than the Members as on that date (not a Right Issue), the above persons shall be issued by the Board such Additional Warrants (hereinafter referred to as 'the Additional Warrants') entitling the holders, to the extent of and subject to their taking up and paying for the shares offered under the Warrants, to further Equity Shares in the same proportion and subject to the same conditions at a price as per the then prevailing guidelines for such warrants and the payment thereof mutatis mutandis as the fresh shares are offered and allotted to such persons and this resolution shall be deemed to have the approval, in



terms of Section 81(1A) of the Companies Act, 1956, to offer and/or issue and/or allot as may be required to satisfy the allotment of Equity Shares in respect of the Additional Warrants as referred to in clause (vi) above.

viii) The Board of Directors be and are hereby authorised to alter, amend or modify any of the terms and conditions of the above including tenure, conversion of the Warrants subject to the approval of the concerned authorities such as Government, SEBI as may be necessary in this regard.

ix) For the purpose of giving effect to this resolution the Board be and is hereby authorised to take all necessary steps and give such directions as may be necessary to settle any questions or difficulty which may arise in regard thereto in such manner as it may deem expedient.

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

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the following clause be added as new clause to the Articles of Association:

"The Company shall have power, subject to and in accordance with all applicable provisions of the Companies Act, and other laws and subject to such other approvals, permissions and sanctions as may be necessary to "Buyback" any of its own shares/securities for cancellation or otherwise on such terms and conditions and upto such limits as may be prescribed by the Companies Act and/or other laws from time to time and make payment out of its General Reserve/Share Premium or otherwise by raising funds from other sources in respect of such buyback, provided that nothing herein contained shall be deemed to affect the provisions of sections 100 to 104 of the Companies Act in so far as they are applicable."

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

"RESOLVED THAT in terms of applicable provisions of the Companies Act (proposed new Companies Bill, 1997) in relation to "Buyback" of own shares and other applicable provisions of any other laws and subject to approvals and sanctions that may be required from the authorities, the Company be and is hereby authorised to buyback its own shares and other

securities from and out of free reserves, share premium and out of the proceeds of any issue of securities made specifically for the purpose of buyback."

"RESOLVED FURTHER THAT the buyback of shares/securities may be from open market, odd lots, through negotiations/arrangement or from existing shareholders on a proportionate basis or by purchasing the shares/securities issued to the employees pursuant to a scheme of stock option or otherwise."

"RESOLVED FURTHER THAT the above buyback of own shares/securities by the Company is subject to such terms and conditions in relation to the price, debt-equity ratio, time limit for completion of buyback, cancellation of such shares, further issue of shares/securities and other conditions as may be prescribed by the Companies Act."

The Register of Members of the Company will remain closed from 23-12-97 to 24-12-97 (both days inclusive).

By Order of the Board

R. JAYARAMAN

Place : Hyderabad

Date : 29-11-97

Company Secretary
& Manager (Legal)

NOTES:

1. A member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself and THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxy Form is enclosed herewith. Proxies to be effective should be deposited at the Registered Office of the Company or at its Corporate Office at 52, Chammiers Road, Chennai - 600 028 not later than 48 hours before the Meeting.
2. Members are requested to intimate to the Company any change in the address quoting their Ledger Folio numbers.
3. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business is annexed hereto.
4. Pursuant to Section 205A of the Companies Act and Rules made thereunder all unpaid/unclaimed dividend related to the Company's financial year upto 30.09.93 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed the dividend warrant for the said period are requested to claim the amount from the Registrar of Companies, Andhra Pradesh, Hyderabad.

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

Item No. 5 of the Notice to Members

Under Section 293(1)(a) of the Companies Act, 1956 the Board of Directors cannot, except with the consent of the Company in General Meeting, mortgage the Company's movable and immovable properties to secure the loans and other financial facilities obtained from Banks and Financial Institutions.

At the General Meetings held on 29.12.87, 29.12.92 and 14.07.94 the Members had authorised the Board of Directors to create mortgage on Company's movable and immovable properties for the purpose of securing the financial assistance obtained from Financial Institutions and Banks and also authorised to create a charge in favour of ICICI in the capacity as Trustees of the Convertible/ Non-Convertible Debentures issued by the Company.

Further, the Company availed term loan from ICICI and IDBI and also enhanced working capital limits from SBI, CBI and IB the Company has created a charge on movable and immovable properties of the company. Therefore it is necessary to ratify the said creation of charge approved by the Board. Hence the proposed resolution.

None of the Directors is interested in the above resolution.

Item No.6 of the Notice to Members

Mr.Krishna Prasad Tripuraneni was appointed as Managing Director at the Annual General Meeting held on 31-12-1996 and also approving terms of his remuneration. One term is that he is entitled for an HRA of Rs.45,000/- per month. However, as a matter of convenience and flexibility it is deemed necessary that he should be entitled for HRA or company leased accommodation for a value not exceeding Rs. 45,000/- per month. The amendment proposed does not alter the material contents of the special resolution passed on 31-12-1996 and the pith and substance remain same. Hence the proposed resolution.

Mr.Krishna Prasad Tripuraneni and Mr. T. Venkateswara Rao, being his relative are interested in this resolution.

Item No. 7 of the Notice to Members

The Company proposes to issue 10.5% Foreign Currency Convertible Bonds (FCCB) and/or any other instrument as may be approved by Central Government, on preferential basis to Sparta

Holdings (Mauritius) Limited and/or other "Foreign Investors" (which term shall include NRIs, OCBs and Companies incorporated outside India) for an amount of Rs.50 crores, with further authorisation to retain and allot additional bonds upto 25% of the above value in the event of oversubscription, on such terms and conditions as may be prescribed by the Government and accepted by the Board subject to SEBI guidelines including on pricing and other approvals as may be required.

Any issue of Convertible Bonds to persons other than the existing Members of the Company need approval of the Members by a Special Resolution pursuant to Section 81(1A) of the Companies Act, 1956. Hence the proposed resolution.

None of the Directors of the Company is interested in the above resolution.

Item No.8 of the Notice to Members

The Company proposes to issue on preferential basis Preference Shares of Rs.10/- each to Indian Resident Investors, Corporate Bodies, Sparta Holdings (Mauritius) Limited and/or other 'Foreign Investors' (which term shall include NRIs, OCBs and Companies incorporated outside India) for an aggregate value of Rupees Twelve Crores for raising interest free funds.

Any issue of preference shares to persons other than Members of the Company needs approval of the Members by means of Special Resolution under Section 81(1A) of the Companies Act, 1956. Hence the proposed resolution.

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

Item No.9 of the Notice to Members

For future expansion it is necessary to secure enough funds and the Board has ascertained the willingness of the Promoters and Foreign Investors to make further investments and it is proposed to issue Forty Lakhs Equity Warrants of Rs.10/- each to Sparta Holdings Limited and/or its/their Associates (hereinafter referred as 'Promoters') which may include 'Foreign Investors' (which term shall include NRIs, OCBs and Companies incorporated outside India) by way of issue of Equity Warrants.

Any issue of shares/equity warrants to persons other than Members of the Company need approval of the Members by means of Special Resolution under Section 81(1A) of the Companies Act, 1956. Hence the proposed resolution.



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

Item No.10 of the Notice to Members

Based on the provisions of the Companies Bill, 1997 pending before the Parliament for its approval, the Company proposes to 'Buyback' its own shares/ other securities subject to the terms and conditions as may be laid down under the provisions of the Companies Act. The proposed buyback will be subject to terms in relation to debt-equity ratio, time limit for buyback, etc., This requires insertion of enabling article in the Articles of Association.

The Resolution proposes alteration to the Articles of Association of the Company by including a new clause to empower the Board of Directors to buyback shares.

The alteration to the Articles of Association requires shareholders approval by a special resolution and hence the proposed resolution.

None of the Directors of the Company is interested in the above resolution.

Item No.11 of the Notice to Members

The Company proposes to 'Buyback' its own shares subject to the terms and conditions as may be prescribed by the Companies Bill, 1997 subject to terms and conditions as may be laid down in relation to price, debt-equity ratio, time limit and quantum of buyback, etc.

The proposed buyback of own shares by the Company requires the approval of the shareholders by a special resolution and hence the proposed resolution.

None of the Directors of the Company is interested in the above resolution.

Report  junction.com

DIRECTORS' REPORT

To

The Members of Spartek Ceramics India Limited

Your Directors present the Thirteenth Report and Audited Accounts of the Company for the period ended 31.03.1997.

The operations of the company for the year ended 31st March, 1997 as compared with the previous year ended 31st March, 1996 are as follows:

FINANCIAL RESULTS:

	(Rs.in Lakhs)	
	1996-97	1995-96
Gross Income	4824.44	5889.35
EBDLIT	220.51	1707.72
Profit/(Loss) before taxation	(1040.12)	403.63
Provision for taxation	—	—
Profit/(Loss) after tax	(1040.12)	403.63
Surplus brought forward from previous year	75.29	91.76
Net profit/ (loss) for the year available for appropriation	(964.83)	495.39

APPROPRIATIONS

Dividends	—	70.10
General Reserve	—	250.00
Debenture Redemption Reserve	—	100.00
Surplus/(Deficit) transferred to Balance Sheet	(964.83)	75.29

We just completed the worst year in our record. A number of adverse factors coming together against the company at a time contributed to the negative results. Delay in approval for foreign investment by over 11 months continued tight liquidity due to insufficient banking support, high interest costs, doubling of LPG prices, extensive delay of about 18 months in debonding process for our granites division from its EOU status, drastic impact of applicable excise duties on pre-debonding production of EOUs etc. all contributed to a year of strained performance. Thus there are substantial extraordinary one time charges, arising out of tax issues which contributed to the dismal performance.

CERAMIC DIVISION:

This unit has been consistently operating above its full rated capacity. However, the average capacity utilisation during the year is at 114% which is

marginally lower than the earlier years due to major overhauling activities. The unit has produced 15.29 lac sq.mtrs as against 17.94 lac sq.mtrs during the previous year. Costs went up due to an unprecedented 100% increase in the price of LPG, which went upto Rs.23,669 per ton at one point. The company represented to the Government with regard to the pricing anomaly of fuels and its impact on competitiveness. The impact of the higher prices for LPG during the year has been felt in the financial results. The LPG prices in the current year has been reduced to about Rs.13000 per ton levels. The production is now oriented towards producing high margin and value added products. The realisation has increased during the year by 10% compared to previous year. With the availability of more quantum and varieties manufactured at Stiles India Limited due to increased capacity utilisation, production pressure on our Tirupati unit is expected to reduce. That should, from late 1997-98 allow improved efficiencies at this plant. The group continued to suffer from capacity constraints, which is expected to improve only after infusion of funds. The sales and orders received continued to exceed production substantially.

GRANITE DIVISION:

We obtained permission from Government of India for debonding from its status of 100% EOU to domestic unit in December, 1996 after 13 months of discussions and procedural issues with the Government, during which the unit was not operational. Due to delay in funding support from the banks, the applicable duties have been paid to the authorities only recently and the unit is now geared up to re-commence production. The unit was thus closed during the year under review. The interest burden on this non-operational division was heavy and that aggravated the tight liquidity situation. With the infusion of Foreign funds (FCCB), the unit will hopefully be able to re-start production in the first quarter of 1998. With the passage of time, the company had to liquidate stocks to attain inflow of funds to sustain itself. However, the company was severely affected by the increased excise burden @ 75% & 63% on goods produced under EOU status as against normal excise duty of 25% & 15%. Thus, the realisable values drastically dropped resulting in a large one time charge on the profits of the company. The company has initiated steps to produce high value added products out of the stocks instead of selling in the present form, after necessary approvals. This is expected to give value addition of about 200-300% over the current realisations. However, the Board has thought it prudent to value stock at the lower levels and take any gains at actuals when realised in the years ahead.