

# 58TH ANNUAL REPORT 2018-2019

## MANAGEMENT DISCUSSION & ANALYSIS REPORT: 2018-19

### 1. INDUSTRY STRUCTURE AND DEVELOPMENTS

The Company has been engaged in the manufacturing and marketing activities of Polyester products namely Polymer, Preforms and Polyester staple Fibre (PSF). The corporate focus has been on manufacture and sale of "Specialty products" across all segments, especially environmental friendly green products. However all these operations have now ceased for a variety of reasons and causes disclosed below.

### 2. OPPORTUNITIES AND THREATS

The company enjoyed a good standing and reputation in the Polyester fibre market, especially black and dope dyed colour fibre markets.

As already informed earlier in pervious years, the Power (electricity) situation in the state of Tamil Nadu was serious and a major concern, the Government's policy of blanket ban on the import of PET Bottle waste left to a complete fault in the Raw Material supply chain whereby causing stop of production. This led to fall off revenue leading to financial crisis finally culminating in the downfall and ceased all operations of the company.

### 3. PERFORMANCE

During the year the Company had Nil turnover consequent upon ceasure of operations, loss of personnel and had a net loss of Rs. 5,907.86 Lacs for the year under review.

### 4. OUTLOOK

In order to tide over the financial crisis the company has agreed to selling/disposing off its land and factory etc at Chennai to meet its legal liabilities. Settlement is being arrived at with the Workmen at Chennai. Efforts are on to meet legal payments.

The Company has also approached Lenders/Banks for a One Time Settlement (OTS) of its debts for which the Lenders/Banks. Banks have been cooperative and sensitive to the situation which the company has been facing for the last few years.

### 5. RISKS & CONCERNS

Adequacy of funds to meet the liabilities inspite of best efforts to raise funds by means of selling / disposing off land etc at Chennai is matter of serious concern. The company is finalising alternate plans for the future.

### 6. INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Audit Committee set up by the Board reviews periodically the status and performance of the company. As the company has ceased operations the need to have internal auditors as also cost auditors has not arisen.

### 7. DISCUSSION ON FINANCIAL PERFORMANCE

During the year the operating loss was Rs. 5,907.86 Lacs as compared to an Operating Loss of Rs.12,462.03 Lacs incurred during the Previous Year. The net turnover including other income was Rs. Nil Lacs (compared with Rs. Nil Lacs of the previous Year).

### 8 HUMAN RESOURCES / INDUSTRIAL RELATIONS

A settlement is being arrived at with workmen at Chennai. The Directors wish to place on record their appreciation for the co-operation extended by the Ex. Workmen.