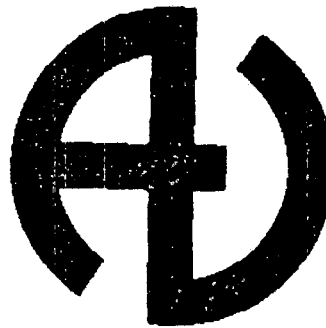


MD			BKC	✓
CS			EPY	N/A
RO			DIV	N/A
TRA			AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		✓



# ATV PROJECTS INDIA LIMITED

Report  junction.com

Annual Report 1996 - 97

Report  junction.com



## TENTH ANNUAL REPORT

## BOARD OF DIRECTORS

Mr. Mahesh Chaturvedi *Chairman*

Mr. E.C.P. Prabhakar, I.A.S. (Retd.)

Dr. V.K.Saxena, Ph.D., I.A.S. (Retd.)

Mr. S. P. Banerjee

Mr. V. Narayan

Mr. S.N.Kaul

Mr. Syrus Wadia *Wholetime Director  
(till 31.7.97)*

Mr. B.R. Pandhi *Executive Director*

Mr. R. S. Rajput *Nominee Director - IFCI  
(w.e.f. 29.5.97)*

Mr. H.C. Chopra *Executive Director  
(w.e.f. 29.9.97)*

## MANAGEMENT EXECUTIVES

Mr. K.S. Nalwaya -- *Chief Executive Officer (P&C)*

Mr. D. Choudhury --- *Vice President (Tech.)*

Mr. P.Y. Mahajan --- *Company Secretary*

## AUDITORS

B.M.Chaturvedi & Co.  
Chartered Accountants,  
Mumbai.

## BANKERS

Central Bank of India  
Bank of India  
State Bank of India  
State Bank of Travancore  
Punjab National Bank

## REGISTERED OFFICE

D-8, MIDC, Street No. 16, Marol,  
Andheri (East), Mumbai - 400 093.

## WORKS

- I. Delhi - Agra Bypass, Post Krishnanagar,  
Mathura - 281 001.
- II. D-8, MIDC, Street No. 16, Marol,  
Andheri (East), Mumbai - 400 093.
- III. Nagothane, Dist. Raigad, Maharashtra.

## SALES OFFICES

- I. 409/410 Chiranjiv Towers, Nehru Place,  
New Delhi - 110 019.
- II. 204, Gera Chambers, Off Boat Club Road,  
Pune - 411 001.
- III. 4, Rosy Towers, 8, Nungambakkam High Road,  
Chennai - 600 034.

## INVESTORS SERVICES DEPT

D-8, MIDC, Street No. 16, Marol,  
Andheri (East),  
Mumbai-400 093.

**NOTICE**

**NOTICE** is hereby given that the Tenth Annual General Meeting of the Members of **ATV PROJECTS INDIA LIMITED** will be held on Monday, 29th December, 1997 at 10.30 a.m. at Tejpal Auditorium, August Kranti Marg, Gowalia Tank, Mumbai 400 007 to transact the following business:-

1. To receive, consider and adopt the Audited Profit & Loss Account for the fifteen months period ended 30th June, 1997 and the Balance Sheet as at that date, and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Dr. V. K. Saxena, who retires by rotation and, being eligible, offers himself for re-election.
3. To appoint a Director in place of Mr. S. P. Banerjee, who retires by rotation and, being eligible, offers himself for re-election.
4. To appoint Auditors to hold office from the conclusion of the Tenth Annual General Meeting till the conclusion of the Eleventh Annual General Meeting, and to fix their remuneration.

**SPECIAL BUSINESS**

5. To appoint a Director in place of Mr. B. R. Pandhi who was appointed as a Director of the Company on 29th November, 1995 to fill the casual vacancy caused by the resignation of Mr. Suresh V. Chaturvedi and who holds office in terms of Section 262 of the Companies Act, 1956 and Article 86 of the Articles of Association of the Company upto the date of this Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a Shareholder expressing his intention of proposing Mr. B. R. Pandhi as a candidate for the office of a Director.

6. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a **SPECIAL RESOLUTION** :

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 314 and other applicable provisions, if any, of the Companies Act, 1956 and the laws in force from time to time and/or Guidelines for Managerial Remuneration issued by the Central Government from time to time, the consent of the Company be and is hereby accorded to the re-appointment of and payment of remuneration to Mr. B. R. Pandhi and to his holding and continuing to hold an office or place of profit under the Company as a Director in wholetime employment of the Company (designated as Executive Director) for a period of two years with effect from 29th November, 1997 upon and subject to the terms and conditions contained in an Agreement proposed to be entered into between the Company and Mr. Pandhi, a copy whereof is placed before the Meeting and initialled by the Chairman for the purpose of identification.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to vary the terms and conditions of the appointment, including remuneration of Mr. Pandhi, in such manner as the Board of Directors may in exercise of its absolute discretion consider appropriate, provided however, that the terms of such appointment and/or remuneration are in conformity with the Guidelines for Managerial Remuneration issued by the Central Government and to the limits set out in Schedule XIII to the Companies Act, 1956 and/or any amendments thereto as may be made from time to time.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the term of office of Mr. Pandhi as an Executive Director, the aforesaid salary and all other remuneration, benefits and amenities as set out in the aforesaid Agreement be paid to Mr. Pandhi as minimum remuneration, notwithstanding that the same shall be in excess of the percentage limitations laid down in Section 309(3) and Section 198(1) of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

To consider and, if thought fit, to pass, with or without modifications, the following resolution as a **SPECIAL RESOLUTION** :

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 314 and other applicable provisions, if any, of the Companies Act, 1956 and the laws in force from time to time and/or Guidelines for Managerial Remuneration issued by the Central Government from time to time, the consent of the Company be and is hereby accorded to the appointment of and payment of remuneration to Mr. H. C. Chopra and to his holding and continuing to hold an office or place of profit under the Company as a director in wholetime employment of the Company (designated as Executive Director) for a period of 2 years with effect from 23rd September, 1997 upon and subject to the terms and conditions contained in an Agreement proposed to be entered into between the Company and Mr. Chopra, a copy whereof is placed before the Meeting and initialled by the Chairman for the purpose of identification.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to vary the terms and conditions of the appointment including remuneration of Mr. Chopra, in such manner as the Board of Directors may in exercise of its absolute discretion consider appropriate, provided, however,

that the terms of such appointment and/or remuneration are in conformity with the Guidelines for Managerial Remuneration issued by the Central Government and to the limits set in Schedule XIII to the Companies Act, 1956 and/or any amendments thereto as may be made from time to time.

RESOLVED FURTHER THAT in the event of loss and inadequacy of profits in any financial year during the term of office of Mr. Chopra as an Executive Director, the aforesaid salary and all other remuneration, benefits and amenities as set out in the aforesaid Agreement be paid to Mr. Chopra as minimum remuneration, notwithstanding that the same shall be in excess of the percentage limitations laid down in Section 309(3) and Section 198(1) of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

8. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a **SPECIAL RESOLUTION** :

"RESOLVED THAT the resolutions passed at the 8th Annual General Meeting of the Company held on 17th August, 1995 for alteration of the Memorandum of Association of the Company by introduction of new clauses 47A) to 47F) in Clause III (C) of the Memorandum and for commencement of the new businesses Under Section 149(2A) of the Companies Act, be and are hereby rescinded, revoked and cancelled".

9. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a **SPECIAL RESOLUTION** :

"RESOLVED that subject to the provisions of Section 17 and all other applicable provisions, if any, of the Companies Act, 1956 and further subject to the confirmation by the Registrar of Companies (ROC) and all other concerned authorities, if any and such directions/modifications/alterations/revisions as may be ordered by the ROC and other concerned authorities, if any, (which the Board of Directors of the Company is hereby authorised to agree to and accept), Clause III(C) of the Memorandum of Association of the Company be altered by addition of the following new clauses :-

- 47A) To purchase, manufacture, produce, refine, prepare, import, export, sell and generally to deal in all kinds of sugar, gur, sugar and gur preparations, molasses, syrups, and alcohol and all products or by-products thereof and in connection therewith to acquire, construct and operate sugar or other refineries, buildings, mills, factories, distilleries and other works and to plant, cultivate, produce and raise or purchase sugarcane, sugar beets and other crops and to transact such other work or business as may be proper or necessary in connection with the above objects or any of them.

- 47B) To carry on all or any of the business of manufacturers and dealers of all kinds of milk and dairy products, condensed milk and powder milk, cream, cheese, butter, and to buy, sell, manufacture and trade in any goods usually traded in any of the above businesses and in connection therewith to acquire, construct and operate mills, factories, buildings and other works as may be proper and necessary.

- 47C) To construct, maintain, alter and improve, purchase, take on lease, hire or otherwise acquire tanks, wells, reservoirs and other means of storings and storages of all kinds and description and to sell, lease, let on hire, repair, maintain, grant licences in respect of or otherwise turn to account any such tanks, wells, reservoirs and storings and storages as aforesaid.

- 47D) To purchase, take on lease, or otherwise acquire any mines, mining rights, and metalliciferous, auriferous or other land in India or elsewhere, and interest therein, and to explore, work, exercise, develop and turn to account the same.

- 47E) To carry on the business of setting up facilities for generation, accumulation, purchase, sale, distribution of all forms of energy, whether from conventional sources such as thermal, hydel, oil, gas, diesel or baggasse, or from non-conventional sources such as tide, wind, solar and geo-thermal, including operation/ maintenance of facilities for generation, distribution, purchase, supply of all forms of energy and to manufacture and deal in all apparatus and things including acquisition of coal mines, quarries, etc. for or capable of being used in connection with generation, distribution, supply, accumulation and employment of energy and to carry on business of Operators, Consultants and Advisors in relation to the business aforementioned and to undertake power projects and to erect, commission, manage as agents, Managers, turnkey or semi-turnkey contractors or on any other basis, and provide any assistance in doing so and to use, process, sell and dispose of ash or any other material produced as a result of generation of energy and to prepare, manufacture, sell and deal in any product capable of being produced from such ash or such other material, and for the aforesaid purposes to carry on the said businesses either singly or to enter into foreign or Indian technical and/or financial collaboration, partnership or into any arrangement for sharing or dealing in profits, co-operation, joint venture or otherwise in any manner whatsoever with any person, firm, body, corporation, association or authority carrying on, engaged in or about to carry on or engage in any of the aforesaid purposes.

47F) To indent, buy, sell, deal in, import, export and otherwise trade in all types of and all manners of products, materials, goods, articles, equipments and merchandise, both conventional and unconventional, either on commission basis or any other commercial or trading basis or practice as may be authorised or permitted by Government through trade policies and also to act as an Export House/Trading House".

10 To consider and, if thought fit, to pass, with or without modifications, the following resolution as a **SPECIAL RESOLUTION** :

"RESOLVED THAT in accordance with the provisions of Section 149 (2A) of the Companies Act, 1956 and subject to such consents, approvals, etc. as may be required, if any, the Company hereby approves the commencement of all the businesses mentioned in new Clauses 47A) to 47F), both inclusive, of Clause III(C) of the Memorandum of Association of the Company."

#### NOTES.

- 1 A Statement of Material Facts in respect of the Special Business under Items No. 5, 6, 7, 8, 9 and 10 is annexed hereto.
- 2 A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- 3 All documents referred to in the above Notice and the accompanying Statement are open for inspection at the Registered Office of the Company on all working days (except Saturdays and Holidays) between 10.30 a.m. and 12.30 p.m. upto the date of Annual General Meeting.
- 4 The Register of Members and the Share Transfer Books of the Company, will remain closed from Wednesday, 24th December, 1997 to Monday, 29th December, 1997 both days inclusive.
- 5 Members are requested to intimate their queries/requirements for clarification on the Annual Report so as to reach the Company on or before 22nd December, 1997 which will enable the Company to furnish the replies at the Annual General Meeting.
- 6 Members are requested to bring their copy of the Annual Report along with them to the Meeting as copies of the Annual Report will not be distributed at the Meeting.
- 7 Members are requested to produce the Attendance Slip at the entrance to the venue.
- 8 Members are advised that M/s. Computech Services are no more the EDP Services Agents for the Company's Investors Services Department (ISD). The Members should, therefore, directly deal for all their requirements with the Company's Investors Services Department at the Registered Office of the Company.

#### Registered Office :

D-8, M.I.D.C., Street No. 16,  
Marol Andheri (East),  
Mumbai 400 093.  
Mumbai, 15th November, 1997.

By Order of the Board,  
**P. Y. Mahajan**  
Company Secretary

#### ANNEXURE TO NOTICE.

Statement of Material Facts pursuant to Section 173 (2) of the Companies Act, 1956 annexed to the Notice dated 15th November, 1997.

#### Item No. 5

Mr. B. R. Pandhi was appointed by the Board of Directors on 29th November, 1995 as a Director to fill the casual vacancy caused by the resignation of Mr. Suresh V Chaturvedi. In terms of Section 262 of the Companies Act, 1956, Mr. Pandhi holds office upto the date of the forthcoming Annual General Meeting, being the date on which Mr. Suresh V Chaturvedi would have retired by rotation had he continued to be Director of the Company. A notice in writing under Section 257 of the Companies Act, 1956 has been received by the Company from a Shareholder intimating his intention of proposing Mr. B. R. Pandhi as a candidate for the office of Director.

The Board recommends the appointment of Mr. Pandhi as Director. Except Mr. Pandhi, none of the Directors is interested or concerned in this item of business.

#### Item No. 6

By a resolution passed on 29th September, 1997 the Board has re-appointed Mr. B. R. Pandhi, as an Executive Director of the Company, subject to the approval of the Members in General Meeting, for a further period of two years with effect from 29th November, 1997. The Board considers that in view of his knowledge and experience, the re-appointment of Mr. Pandhi is in the best interest of the Company. The essential terms and conditions of Mr. Pandhi's re-appointment, as stated in the draft Agreement to be entered into by the Company with Mr. Pandhi are as under :

- i) Mr. Pandhi will carry out such functions, exercise such powers and carry out such duties as may be entrusted to him from time to time.
- ii) Period of Agreement : Two years with effect from 29th November 1997.
- iii) Remuneration : The remuneration payable to the Executive Director will be determined by the Board of Directors of the Company in exercise of its absolute discretion within the overall limits prescribed under Sections 198, 309 and Schedule XIII of the Companies Act, 1956.
  - (a) Salary : Rs.25,000/- per month.
  - (b) Perquisites : Perquisites shall be allowed in addition to salary, restricted to an amount equal to the annual salary or Rs.4,50,000 per annum, whichever is less.

The perquisites are classified into the following three categories :

#### CATEGORY 'A'

- (i) Medical Expenses : Reimbursement of Hospitalisation Insurance premium and medical expenses incurred in accordance with the rules of the Company for Executive Directors for the time being in force and from time to time.
- (ii) Leave Travel Concession : Once in a year in accordance with the rules of the Company for Executive Directors for the time being in force.

#### CATEGORY 'B'

- (a) Contributions to the Provident Fund, Superannuation Fund or Annuity Fund, if any, will not be included in the computation of the ceiling of perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- (b) Personal Accident Insurance of an amount, the annual premium of which is in accordance with the rules of the Company.
- (c) Gratuity, if payable under the Company's rules, shall not exceed half-month's salary for each completed year of service, subject to a ceiling of Rs.2,50,000/-.

#### CATEGORY 'C'

Provision of one car for use on Company's business and one telephone at residence will not be considered as perquisites. Personal long distance calls and use of car for private purpose shall be billed by the Company to the Executive Director.

The remuneration aforesaid including the benefits and amenities mentioned above will be paid and allowed as minimum remuneration for any year in the event of loss or inadequacy of profits.

#### OTHER TERMS :

- (i) The terms and conditions of the appointment and/or remuneration may be varied or increased from time to time in such a manner as the Board of Directors in the exercise of its absolute discretion consider appropriate provided however, that the terms of such appointment and/or remuneration are subject to the limits set out in Schedule XIII of the Companies Act, 1956 or any amendments thereto as may be made from time to time.
- (ii) The Agreement is terminable on three months' notice on either side.
- (iii) The Executive Director shall not directly or indirectly engage himself in any other business or occupation or employment whatsoever.
- (iv) The Executive Director shall not be entitled to supplement his earnings under the Agreement with any buying or selling commission. He shall not also become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company, without the prior approval of the Central Government.
- (v) If and when the Executive Director is required to entertain and/or travel for the purpose of the Company's business, the Company shall reimburse all actual expenses incurred by him for such entertainment and/or travel.
- (vi) The Executive Director shall be entitled to all leave benefits as are applicable under the Company's rules to the Executive Directors and in force from time to time.
- (vii) The Executive Director shall observe the secrecy obligation in regard to the business affairs of the Company.

In compliance with the provisions of Schedule XIII of the Companies Act, 1956, the aforesaid appointment and remuneration payable to the Executive Director is being placed before the Members in the General Meeting. The Board of Directors recommends the same for your approval.

The above may also be treated as an extract of the terms and conditions of Mr. Pandhi's appointment and remuneration, pursuant to Section 302 of the Companies Act, 1956.



Save and except Mr. Pandhi, no other Director of the Company is in anyway concerned or interested in this item of business.

#### Item No. 7

The Board of Directors of the Company on 29th September, 1997 appointed Mr. H. C. Chopra ( who was then Chief Executive Officer of the Company's TPE Division at Nagothane ) as a Director of the Company, in the casual vacancy caused by the resignation of Mr. Syrus Wadia. On the same date, the Board also appointed Mr. H. C. Chopra as a Wholtime Director of the Company (designated as Executive Director) subject to the approval of the Members in General Meeting, for a period of two years with effect from that date. The Board considers that in view of his knowledge and experience, the appointment of Mr. Chopra is in the best interest of the Company.

The essential terms and conditions of Mr. Chopra's appointment, as stated in the Agreement to be entered into by the Company with Mr. Chopra, are as under :-

- i) Mr. Chopra will carry out such functions, exercise such powers and carry out such duties as may be entrusted to him from time to time.
- ii) Period of Agreement: Two years with effect from 29th September, 1997.
- iii) Remuneration: The remuneration payable to the Executive Director will be determined by the Board of Directors of the Company in the exercise of its absolute discretion within the overall limits prescribed under sections 198, 309 and Schedule XIII of the Companies Act, 1956.
  - a) Salary: Rs. 19,000/- per month.
  - b) Perquisites: Perquisites shall be allowed in addition to salary, restricted to an amount equal to the annual salary or Rs. 4,50,000 per annum, whichever is less.

The perquisites are classified into the following three categories:

#### CATEGORY 'A'

- i) Medical Expenses : Reimbursement of medical expenses incurred in accordance with the rules of the Company for the time being in force and from time to time.
- ii) Leave Travel Concession: Once in a year, in accordance with the rules of the Company for the time being in force and from time to time.

#### CATEGORY 'B'

- a) Contributions to the Provident Fund, Superannuation Fund or Annuity Fund, if any, will not be included in the computation of the ceiling of perquisites to the extent these either singly or put together are not taxable under the Income Tax Act 1961.
- b) Personal Insurance of an amount, the annual premium of which is in accordance with the rules of the Company.
- c) Gratuity, if payable under the Company's rules, shall not exceed half-month's salary for each completed year of service, subject to ceiling of Rs. 2,50,000/-

#### CATEGORY 'C'

Provision of one car for use on Company's business and one telephone at residence will not be considered as perquisites. Personal long distance calls and use of car for private purpose shall be billed by the Company to the Executive Director.

The remuneration aforesaid including the benefits and amenities mentioned above will be paid and allowed as minimum remuneration for any year in the event of loss or inadequacy of profits.

#### OTHER TERMS :

- (i) The terms and conditions of the appointment and/or remuneration may be varied or increased from time to time in such a manner as the Board of Directors in the exercise of its absolute discretion considers appropriate provided however, that the terms of such appointment and/or remuneration are subject to the limits set out in Schedule XIII of the Companies Act, 1956 or any amendments thereto as may be made from time to time.
- (ii) The Agreement is terminable on three months' notice on either side.
- (iii) The Executive Director shall not directly or indirectly engage himself in any other business or occupation or employment whatsoever.
- (iv) The Executive Director shall not be entitled to supplement his earnings under the Agreement with any buying or selling commission. He shall not also become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company, without the prior approval of the Central Government.
- (v) If and when the Executive Director is required to entertain and/or travel for the purpose of the Company's business, the Company shall reimburse all actual expenses incurred by him for such entertainment and/or travel.
- (vi) The Executive Director shall be entitled to all leave benefits as are applicable under the Company's rules to the Executive Directors and in force from time to time.
- (vii) The Executive Director shall observe the secrecy obligation in regard to the business affairs of the Company.

In compliance with the provisions of Schedule XIII of the Companies Act, 1956, the aforesaid appointment and remuneration payable to the Executive Director is being placed before the Members in the General Meeting. The Board of Directors recommends the same for your approval.

The above may also be treated as an extract of the terms and conditions of Mr. Chopra's appointment and remuneration, pursuant to Section 302 of the Companies Act, 1956.

Save and except Mr. Chopra, no other Director of the Company is in anyway concerned or interested in this item of business.

#### Item No.8

The Members had, at their 8th Annual General Meeting held on 17th August, 1995 passed a resolution for inclusion of new object clauses [Clauses 47A) to 47F) to Clause III (C) of the Memorandum] in the Memorandum of Association of the Company to facilitate diversification and enlarge the area of operations of the Company. The Members had also passed a resolution to allow the Company to commence or undertake all or any of the new businesses specified in the new Sub Clauses 47A) to 47F). The amendments as resolved are yet to be given effect. In view of recent amendment to the provisions of Section 17 of the Companies Act, w.e.f 1.3.97 permitting companies to alter their Memoranda by intimating Registrar of Companies after passing a Special Resolution to that effect, the Company has proposed those resolutions again for members approval, as set out at Sr. No.9 and 10 of the Notice calling the Meeting. In view of this, for the sake of good records, it is proposed to revoke and cancel the said resolutions, as passed at the 8th Annual General Meeting.

Your Directors recommend the resolution under this item of business for your approval.

No Director is interested or concerned in this item of business.

#### Item No. 9

In view of the encouraging measures taken by the Central Government to liberalise the economy and in order to be able to diversify when considered necessary or desirable into certain new lines of business, your Directors have under consideration various proposals. The amendments proposed by way of inclusion of new Objects Clauses in the Memorandum of Association, as set out in the resolution under this item of business, are to facilitate diversification and to enable the Company to enlarge its area of operations. Your Directors feel that in the context of the present competitive economy, your Company should, for long term benefits, growth and profitability, diversify. Your Directors are also of the view that the proposed additional objects may conveniently and advantageously be combined with the existing business of the Company. Accordingly, your Directors recommend the amendment of Clause III(C) of the Memorandum of Association of the Company by the inclusion of new Objects Clauses as set out at item 9 of the Notice so as to enable the Company to undertake these new lines of activities, whenever required.

As per the provisions of Section 17 of the Companies Act, 1956, the Objects Clause of a Company can be amended only by a Special Resolution passed by the Members subject to confirmation by the Registrar of Companies. Accordingly, your Directors recommend the resolution under this item of business for your approval.

No Director is interested or concerned in this item of business.

#### Item No.10

As per the provisions of Section 149(2A) of the Companies Act, 1956, the approval of the Members in general meeting is required for commencement of any business as set out in the Other Objects under the Objects Clause of the Memorandum of Association. As a matter of expediency, approval of the Members is sought to enable the Directors, at such time or times as they may consider appropriate and in the interest of the Company, to commence or undertake all or any of the businesses specified in the new sub-clauses 47A) to 47F), both inclusive, of Clause III(C) of the Memorandum of Association of the Company.

Your Directors recommend the resolution under this item of business for your approval.

No Director is interested or concerned in this item of business.

#### Registered Office

D-8, M.I.D.C., Street No.16,  
Marol, Ancheri (East),  
Mumbai - 400 093.

By Order of the Board,  
P. Y. Mahajan  
Company Secretary

Mumbai, 15th November, 1997.

**DIRECTORS' REPORT TO THE MEMBERS**

Your Directors are pleased to present the Tenth Annual Report together with the Audited Statements of Accounts for the fifteen months period ended June 30, 1997.

**CORPORATE RESULTS**

	For the 15 months period ended June 30, 1997 (Rs.in lacs)	For the year ended March 31, 1996 (Rs.in lacs)
<b>Income</b>	<b>30471.73</b>	<b>27790.32</b>
<b>Gross Profit</b>	<b>4818.17</b>	<b>6935.39</b>
<b>Less: Interest</b>	<b>3980.18</b>	<b>3829.42</b>
<b>Cash Profit</b>	<b>837.99</b>	<b>3105.97</b>
<b>Less: Depreciation</b>	<b>400.33</b>	<b>1167.16</b>
<b>Net Profit</b>	<b>437.66</b>	<b>1938.81</b>
<b>Less: Provision for taxation</b>	<b>---</b>	<b>---</b>
<b>Profit after tax</b>	<b>437.66</b>	<b>1938.81</b>
<b>Add: Surplus balance brought forward from previous year</b>	<b>1137.08</b>	<b>984.44</b>
<b>Profit available for appropriations</b>	<b>1574.74</b>	<b>2923.25</b>
<b>Proposed Dividend</b>	<b>---</b>	<b>531.17</b>
<b>Transfer to Debenture Redemption Reserve</b>	<b>255.00</b>	<b>255.00</b>
<b>Transfer to General Reserves</b>	<b>100.00</b>	<b>1000.00</b>
<b>Balance carried to Balance Sheet</b>	<b>1219.74</b>	<b>1137.08</b>
	<b>1574.74</b>	<b>2923.25</b>

**EXTENSION OF FINANCIAL YEAR**

Due to circumstances beyond the control of the Management it was thought advisable to extend the Financial Year of the Company to close on 30th June, 1997. The Report of Directors has accordingly been made for the fifteen months period ended 30th June, 1997. The Directors have decided to change the accounting year henceforth for the period 1st July to 30th June.

**PERFORMANCE REVIEW**

As you are aware the period witnessed several adverse developments in the Indian economy such as unduly high cost of finance, credit squeeze, depressed capital markets and political instability. These resulted in slowing down of industrial growth and recessionary trends in almost all sectors of Economy, including Engineering. All this, coupled with continued non-availability of working capital funds, had its impact on the business activity of the Company, affecting the income and operating results of the Company. In view of above the performance of the Company in the period under review was below expectations which could have been better in the normal circumstances.

**DIVIDEND**

Much though they would have liked to, in light of above position and in order to conserve resources to meet the requirements of the Company, your Directors have not recommended any dividend for the period under review.

**OPERATIONS****Mathura Division**

Equipped with highly sophisticated fabrication facilities and the highest symbol of Pressure Vessel quality i.e. ASME 'U' code stamp of the American Society of Mechanical Engineers, the Mathura Division has fabricated the most prestigious 'U' Stamp Volume Bottles for

Bharat Pumps & Compressors Limited, Naint, who are using them for the compressors supplied to IOCL Panipat. Manufacture of these equipments requires exceptional technological skills and maintenance of most stringent quality requirements in fabrication techniques and testing. The continuous monitoring of the quality system operations in accordance with code requirements has made it possible for successful re-issue of the ASME 'U' Stamp to the Company after 3 years review by the Lloyds & ASME authorities from National Boiler Board, USA.

A masterpiece of modern technology, the Stainless Steel Medium Pressure Column and Vapouriser for Air Separation Plant, ordered by M/s. Air Liquide was fabricated to very precise and close tolerances and smooth insertion of Aluminium Trays inside.

The Company has invested substantially in developing and establishing sophisticated technologies and facilities. During the year under review, in house facilities were further developed for manufacture of all types of dished ends for pressure vessels. So far these dished ends had to be purchased from outside.

The Clients of the Division include Indian Oil Corporation Limited, Bharat Petroleum Corporation Limited, Gas Authority of India Limited, Bharat Pumps & Compressors Limited, Nuclear Power Corporation, Liquide Air and several other large Corporations which require equipments etc. of sophisticated technology and quality control to exacting standards.

With the successful completion of supply of equipment for Air Separation Plant for Air Liquide, France they are considering us now for repeat orders for their increasing activities in India in this field.

**Project And Construction Division**

During the year under review, the Project & Construction Division successfully commissioned and handed over a 2500 TCD Sugar Plant of M/s. Akola Sahakari Sakhar Karkhana Limited at Akola. This was the 21st complete sugar plant commissioned and handed over by the Company upto date. The work of the 100 MW Power Plant and utilities of Kerala State Electricity Board for Centrales Diesel Export, France is mechanically completed and the first unit was commissioned on 5.5.1997. The work of Sugar Plants for the Ambadevi Sahakari Sakhar Karkhana Limited at Amravati and the Jamner Sahakari Sakhar Karkhana Limited, Dist. Jalgaon suffered on account of lack of finances at the customer end. Due to overall cash crunch in the country and general business scenario being not very encouraging, the projects in hand suffered to some extent. Your Company is executing presently some of the valuable projects in the country for the state owned oil company M/s Indian Oil Corporation Ltd. namely ARU in Panipat Refinery, LPG Sphere and Bottling Plant in Manmad and Gandohar.

Following Supreme Court Order to reduce sulphur content in Diesel and Fuel Oil in order to reduce Air Pollution, as many as six large state owned refineries are installing Desulphurisation and Sulphur Recovery Unit with Capital outlay of Rs. 3000 to 3500 Crores. Besides, several Refineries, Bottling Plants, Fertilizer Units and Tap Offs are to be set up in the country. Since your Company is primarily a Process Plant and Refinery Equipment Supplier we are expecting a reasonable value order and contract from the above stated package.

On the Sugar front Government of Maharashtra has decided to award two Sugar Projects of 2500 TCD to the Company, due to the Company's excellent performance at Akola. The agreement for one project has already been signed while the agreement for the other one is likely to be signed soon.

**Thermoplastic Elastomer Division**

The Thermoplastic Elastomer (TPE) Plant at Nagothane operated intermittently due non availability of working Capital funds from the Banks which led to a shortage of raw materials. Higher working capital limits have been approved by the Banks but have yet to be released.