

9th Annual Report 1997-98

Presenting results of our continued commitment to pursuing the best, in the interest of our customers.

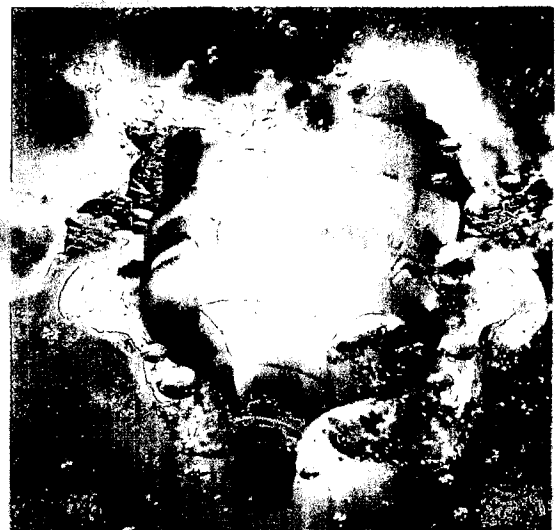
Building new Dimensions, raising current Standards and achieving higher Goals have established the landmark of our success so far. But on path, customer satisfaction has always been the best returns, and it is what

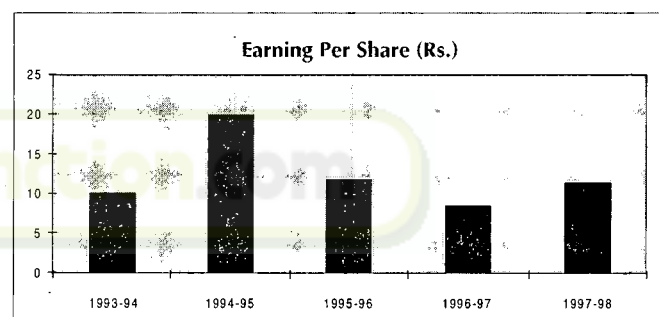
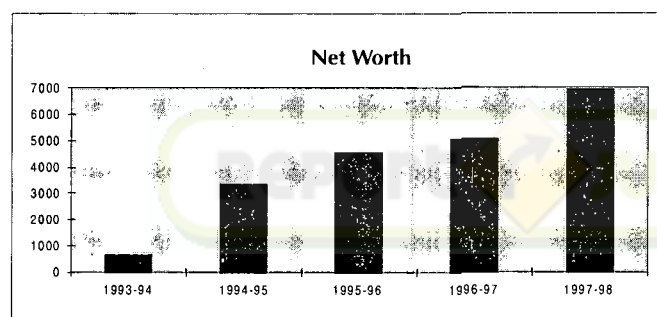
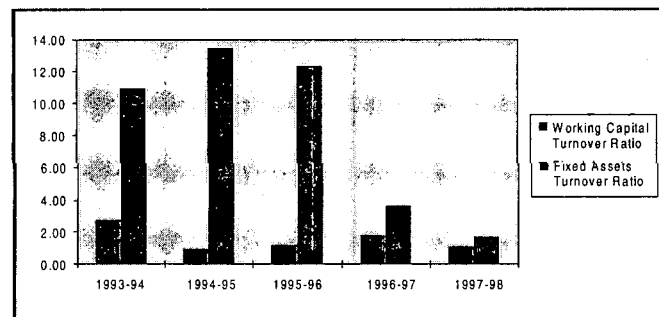
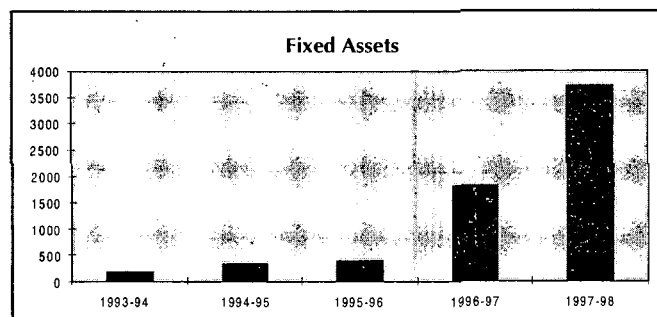
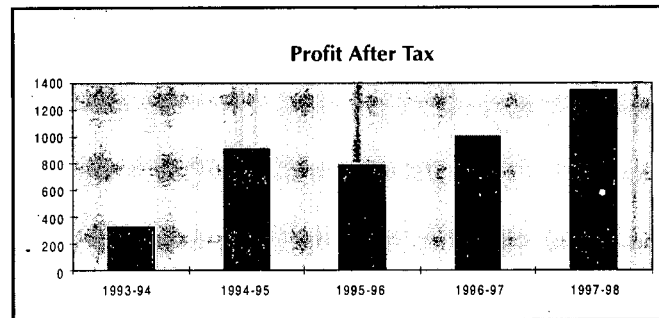
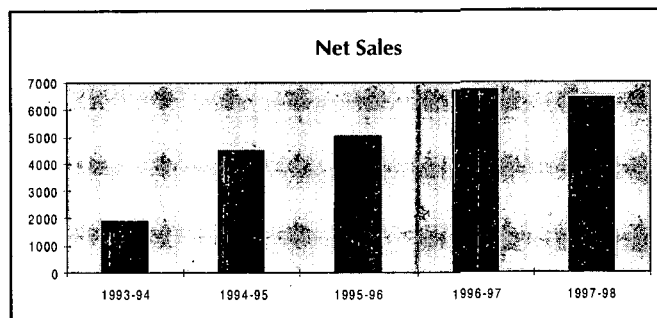
ATCO is known for.

ATCO Industries Ltd,

a company rich in its

Products, Quality and Service.





FIVE YEARS AT A GLANCE					
	1994	1995	1996	1997	1998
(Rs. in lakhs)					
PROFIT & LOSS ACCOUNT					
Sales	1943.65	4546.08	5059.84	6739.55	6465.25
Other Income	86.30	81.44	134.33	114.13	629.40
Total Income	2029.95	4627.52	5194.17	6853.68	7094.65
Total Expenditure	1613.84	3507.76	4280.89	5524.46	5352.46
Interest	33.96	127.36	59.66	255.83	305.85
Depreciation	34.75	43.85	51.82	58.94	79.94
Profit before taxation	347.40	948.55	801.80	1014.45	1356.40
Profit after taxation	326.40	918.55	786.80	1009.45	1356.40
Cash Accruals	361.19	962.44	840.29	1070.83	1441.25
EPS (adjusted for bonus)	Rs. 10.03	19.95	11.71	8.31	11.17
BALANCE SHEET					
Fixed Assets	177.91	338.25	410.44	1825.78	3718.54
Investments	0.35	114.71	1177.44	1161.97	1271.98
Net Current Assets	705.00	4560.53	4118.21	3729.45	5945.42
Miscellaneous Expenditure	0.22	0.17	51.48	100.55	117.99
Total	883.48	5013.66	5757.57	6817.75	11053.93
Share Capital	322.00	607.00	1814.00	1814.00	2925.72
Reserves & Surplus	321.67	2755.12	2727.88	3229.05	4000.45
Secured Loans	9.56	399.92	112.31	415.24	3570.38
Unsecured Loans	230.25	1251.62	1103.38	1359.46	557.38
Total	883.48	5013.66	5757.57	6817.75	11053.93



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BOARD OF DIRECTORS

Shri Vikram A. Doshi	:	Chairman & Managing Director
Shri Sharad A. Doshi	:	Whole-time Director
Shri Vineet A. Doshi	:	Whole-time Director
Shri Vijay M. Paradkar	:	Director (SICOM Nominee)
Smt. Leena V. Doshi	:	Director

MD	✓	BKC	✓
CS	✓	DPY	✓
RO	✓	DIV	✓
TRA	NA	AC	✓
AGM	✓	SH	✓
YE	✓		✓

COMPANY SECRETARY

Shri Anil K. Kale

BANKERS

Allahabad Bank.
Punjab National Bank
UTI Bank Ltd.

AUDITORS

Manoj Mehta & Associates
Chartered Accountants

SOLICITORS & ADVOCATES

M/s Crawford Bayley & Company

REGISTERED OFFICE

6A, Lalwani Industrial Estate,
14, G D Ambekar Road, Wadala,
Mumbai - 400 031.

WORKS

- 18 Electronic Sadan III
Bhosari, M.I.D.C.,
Pune - 411 026.
- 28 Electronic Sadan II
Bhosari, M.I.D.C.,
Pune - 411 026.
- Daman Industrial Estate,
Airport Road, S. No. 74/13,
Village Kadaiya,
Daman - 396 210
- Daman Industrial Estate,
Air Port Road,
S. No. 101 / 3,
Village Kadaiya,
Nani Daman - 396 210
- 17/A, Somnath Industrial
Estate, Dabhel,
Daman - 396 210
- 311/312, Wadala Udyog
Bhavan, Naigaon Cross Road,
Wadala, Mumbai - 400031.

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NINTH ANNUAL GENERAL MEETING

On Friday, the 25th September, 1998
at 3.00 p.m. at Conference Hall,
Matunga Gujarati Club Limited,
Matunga Gujarati Club Bldg.,
N.M. Parekh Marg, Near Aurora Cinema,
Matunga Central Railway, Mumbai 400 019

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NOTICE

The Ninth Annual General Meeting of ATCO Industries Limited will be held on 25th September 1998 at 3.00 pm at the Conference Hall, Matunga, Gujarati Club Limited, N.M.Parekh Marg, Near Arora Cinema, Matunga (Central Railway), Mumbai 400 019 to transact the following business :

1. To receive, consider and adopt the audited Balance Sheet as at, and the Profit and Loss Account for the year ended, 31st March, 1998 and the reports of Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint director in place of Shri Vineet A Doshi who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

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 Mrs Leena V Doshi, who was appointed as an Additional Director of the Company by the Board of Directors and who ceases to hold office under section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing proposing her candidature for the office of Director, be and is hereby appointed a Director of the Company."

6 APPROVAL FOR PAYMENT OF REMUNERATION ON REVISED TERMS & CONDITIONS TO THE MANAGING DIRECTOR

To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution

"RESOLVED THAT pursuant to Sections 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the revision of remuneration and amendment to the terms and conditions of the existing agreement between the Company and Mr. Vikram A. Doshi Managing Director of the Company, as specified in the draft supplemental agreement submitted to this meeting and initialed by a Director for the purpose of identification and the Board be and is hereby authorised to execute such supplemental agreement."

7. APPROVAL FOR PAYMENT OF REMUNERATION ON REVISED TERMS & CONDITIONS TO THE WHOLETIME DIRECTOR

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to Sections 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the revision of remuneration and amendment to

ATCO

the terms and conditions of the existing agreement between the Company and Mr. Vineet A. Doshi, Wholetime Director of the Company, as specified in the draft supplemental agreement submitted to this meeting and initialed by a Director for the purpose of identification and the Board be and is hereby authorised to execute such supplemental agreement .”

8. APPROVAL FOR PAYMENT OF REMUNERATION ON REVISED TERMS & CONDITIONS TO THE WHOLETIME DIRECTOR

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to Sections 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the revision of remuneration and amendment to the terms and conditions of the existing agreement between the Company and Mr. Sharad A. Doshi, Wholetime Director of the Company, as specified in the draft supplemental agreement submitted to this meeting and initialed by a Director for the purpose of identification and the Board be and is hereby authorised to execute such supplemental agreement .”

Registered Office:
6A, Lalwani Industrial Estate,
14, G.D.Ambekar Road,
Wadala, Mumbai-400 031.

By Order of the Board

Anil K. Kale
Company Secretary

25th August, 1998

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NOTES :

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company.
2. The relative Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under item No.5 to 8 above is annexed hereto.
3. **Further Information:** Members desirous of obtaining information in respect of the Accounts of the Company are requested to send their queries in writing to the Company at the Registered Office so as to reach at least seven days before the date of the Meeting.
4. The Register of members and the share transfer books of the company will remain closed from 22nd September, 1998 to 25th September, 1998 (both days inclusive).
5. The Company has already transferred unclaimed dividend declared for the financial year ended 31st March, 1994 to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978.
6. The unpaid dividend that is due for transfer to the Central Government is as follows:

Dividend No.	Date of declaration	For the financial year	Due for transfer on
2.	28th, September 95	1994-95	2nd November, 98

ANNEXURE TO NOTICE

As required by Section 173(2) of the Companies Act, 1956 (hereinafter referred to as "the act") the following Explanatory Statement sets out all material facts relating to the business mentioned under item No.5 to 8 of accompanying Notice dated 25.8.98

1. **Item No. 5** - Mrs Leena V Doshi was appointed an Additional Director of the Company on 1st October, 1997 by the Board of Directors of the Company. According to the provisions of Section 260 of the Companies Act, 1956, she holds office as Director only up to the ensuing Annual General Meeting. As required by Section 257 of the said Act, a notice has been received from member signifying his intention to the appointment of Mrs Leena V Doshi as a Director along with a deposit of rupees five hundred. The Board considers it desirable that the Company should continue to avail itself of her services.

No director other than Shri. Vikram A Doshi is concerned or interested in the resolution.

Your directors recommend the resolution for approval.

Item No. 6 - The remuneration payable to Shri Vikram A. Doshi, Managing Director was approved by the shareholders at the 8th Annual General Meeting held on 30th September 1997. At a meeting held on 25th August 1998 the Board of Directors decided to recommend to the company in General Meeting that the terms and conditions of service of Shri Vikram a. Doshi as to his remuneration be varied with effective from 1st October 1998 in terms of draft supplemental agreement to provide for the payment of remuneration as under :

- a) Basic Salary Rs. 1,50,000 (Rupees One Lac Fifty Thousand Only) per month in the scale of Rs 1,50,000-3,00,000 with an increment upto 20% every year due on 1st October.
- b) Perquisites (including allowances):



1. Housing I

a) The expenditure by the Company on hiring furnished accommodation. Ten percent of the basic salary of Mr. Vikram A. Doshi shall be deducted by the Company.

Housing II

b) In case the accommodation is owned by the Company, ten percent of the basic salary of Mr. Vikram A. Doshi shall be deducted by the Company.

Housing III

c) In case no accommodation is provided by the Company, Mr. Vikram A. Doshi shall be entitled to 60% of the basic salary as house rent allowance.

2. The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962.

3. Medical/Hospitalisation Expenses Reimbursement : Expenses incurred for self and family in accordance with the rules of the Company.

4. Leave Travel Concession : For self and family, once in a year incurred in accordance with the rules of the the Company.

5. Club Fees : Fees of clubs subject to maximum of two clubs in accordance with the rules of the company.

6. Personal Medical/ Accident Insurance etc. : Coverage for Personal Medical/Accident Insurance/Keymen Insurance or any other coverage as per the rules of the Company and annual premium for the same to be paid by the Company.

Explanation : " Family " means the spouse, the dependent children and dependent parents.

7. Contribution to provident fund, superannuation fund or annuity fund will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.

8. Gratuity payable shall not exceed half a month's salary for each completed year of service.

9. Encashment of leave at the end of the tenure.

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

11. Perquisites available to Mr. Vikram A. Doshi may be interchangeable subject to total limit of Rs 20,00,000/-.

12. Minimum remuneration : In the event of loss or inadequacy of profits in any financial year, Mr. Vikram A. Doshi shall be paid remuneration and be granted the perquisites, as per the provisions contained in Schedule XIII to the Companies Act, 1956, as amended from time to time or any statutory modifications or re-enactment thereof, for the time being in force.

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Total Remuneration : The total remuneration, perquisites, contribution towards provident fund, superannuation fund and gratuity fund payable to the Managing Director and Wholtime Directors shall not exceed 10% of the profits calculated in accordance with sections 198 & 309 of the Companies Act, 1956.

Sitting Fees : The Managing Director will not receive any sitting fees for attending meetings of the Board or any Committee thereof.

Having regard, into alia, to the growth of the Company, the responsibilities entrusted to the Managing Director and remuneration paid to other senior Executives in the Corporate Sector the Board of Directors seek the approval of the members for payment of revised remuneration to the Managing Director for the remaining tenure of his appointment.

The above proposal will not require the approval of the Central Government under section 269 and section 310 of the Act as the increase in remuneration by way of incremental salary proposed to be paid is within the limits laid down in Part II of Schedule XIII to the Act. The Board of Directors recommend this resolution to the members for their approval.

Except Shri Vineet A. Doshi, Shri Sharad A. Doshi and Mrs Leena V Doshi - Directors, who are related to the Managing Director - Shri Vikram Doshi, no other Director of the Company is in any way concerned or interested in the proposed Resolution.

The Board recommends your accord to the proposal in the interest of the Company.

The draft of the Agreement to be entered into by the Company with Mr. Vikram A. Doshi is available for inspection of members of the Company at the Registered Office of the Company on all its working days except Saturdays between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.

This explanation together with the accompanying notice is and should be treated as an abstract of the terms of re-appointment of Managing Directors under Section 302 of the Companies Act, 1956.

Item No. 5- The remuneration payable to Shri Vineet A. Doshi, Wholtime Director was approved by the shareholders at the 8th Annual General Meeting held on 30th September 1997. At a meeting held on 25th August 1998 the Board of Directors decided to recomend to the company in General Meeting that the terms and conditions of service of Shri Vineet A. Doshi as to his remuneration be varied with effective from 1st October 1998 in terms of draft supplemental agreement to provide for the payment of remuneration as under :

a) Basic Salary Rs. 1,00,000 (Rupees One Lac Only) per month in the scale of Rs 1,00,000-2,00,000 with an increment upto 20% every year due on 1st October.

b) Perquisites (including allowances):

1) Housing I

a) The expenditure by the Company on hiring furnished accommodation. Ten percent of the basic salary of Mr. Vineet A. Doshi shall be deducted by the Company.

Housing II

b) In case the accommodation is owned by the Company, ten percent of the basic salary of Mr. Vineet A. Doshi shall be deducted by the Company.

Housing III

c) In case no accommodation is provided by the Company, Mr. Vineet A. Doshi shall be entitled to 60% of the basic salary as house rent allowance.

2. The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962.



3. Medical/Hospitalisation Expenses Reimbursement : Expenses incurred for self and family in accordance with the rules of the Company.

4. Leave Travel Concession : For self and family, once in a year incurred in accordance with the rules of the the Company.

5. Club Fees : Fees of clubs subject to maximum of two clubs, in accordance with the rules of the Company.

6. Personal Medical/ Accident Insurance etc. : Coverage for Personal Medical/Accident Insurance/ Keymen Insurance or any other coverage as per the rules of the Company and annual premium for the same to be paid by the Company.

Explanation : " Family " means the spouse, the dependent children and dependent parents.

7. Contribution to provident fund, superannuation fund or annuity fund will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.

8. Gratuity payable shall not exceed half a month's salary for each completed year of service.

9. Encashment of leave at the end of the tenure.

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

11. Perquisites available to Mr. Vineet A. Doshi may be interchangeable subject to total limit of Rs 15,00,000/- P.A.

12. Minimum remuneration : In the event of loss or inadequacy of profits in any financial year, Mr. Vineet A. Doshi shall be paid remuneration and be granted the perquisites, as per the provisions contained in Schedule XIII to the Companies Act, 1956, as amended from time to time or any statutory modifications or re-enactment thereof, for the time being in force.

Total Remuneration : The total remuneration, perquisites, contribution towards provident fund, superannuation fund and gratuity fund payable to the Managing Director and Wholetime Directors shall not exceed 10% of the profits calculated in accordance with sections 198 & 309 of the Companies Act, 1956.

Sitting Fees : The Wholetime Director will not receive any sitting fees for attending meetings of the Board or any committee thereof.

Having regard, inter alia, to the growth of the Company, the responsibilities entrusted to the Wholetime Director and remuneration paid to other Senior Executive in the Corporate Sector, the Board of Directors seek the approval of the Members for payment of revised remuneration to the Wholetime Director for the remaining tenure of his appointment.

The above proposal will not require the approval of the Central Government under section 269 and section 310 of the Act as the increase in remuneration by way of incremental salary proposed to be paid is within the limits laid down in Part II of Schedule XIII to the Act. The Board of Directors recommend this resolution to the members for their approval.

Except Shri Vikram A. Doshi and Shri Sharad A. Doshi - Directors, who are related to the Wholetime Director - Shri Vineet A. Doshi, no other Director of the Company is in any way concerned or interested in the proposed Resolution.

The Board recommends your accord to the proposal in the interest of the Company.

The draft of the Agreement to be entered into by the Company with Mr. Vineet A. Doshi is available for inspection of members of the Company at the Registered Office of the Company on all its working days except Saturdays between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.

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This explanation together with the accompanying notice is and should be treated as an abstract of the terms of re-appointment of Wholtime Directors under Section 302 of the Companies Act, 1956.

Item No. 8 - The remuneration payable to Shri Sharad A. Doshi, Wholtime Director was approved by the shareholders at the 8th Annual General Meeting held on 30th September 1997. At a meeting held on 25th August 1998 the Board of Directors decided to recomend to the company in General Meeting that the terms and conditions of service of Shri Sharad A. Doshi as to his remuneration be varied with effective from 1st October 1998 in terms of draft supplemental agreement to provide for the payment of remuneration as under :

a) Basic Salary Rs. 1,00,000 (Rupees One Lac Only) per month in the scale of Rs 1,00,000-2,00,000 with an increment upto 20% every year due on 1st October.

b) Perquisites (including allowances):

1) Housing I

a) The expenditure by the Company on hiring furnished accommodation. Ten percent of the basic salary of Mr. Sharad A. Doshi shall be deducted by the Company.

Housing II

b) In case the accommodation is owned by the Company, ten percent of the basic salary of Mr. Sharad A. Doshi shall be deducted by the Company.

Housing III

c) In case no accommodation is provided by the Company, Mr. Sharad A. Doshi shall be entitled to 60% of the basic salary as house rent allowance.

2. The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962.

3. Medical/Hospitalisation Expenses Reimbursement : Expenses incurred for self and family in accordance with the rules of the Company.

4. Leave Travel Concession : For self and family, once in a year incurred in accordance with the rules of the the Company.

5. Club Fees : Fees of clubs subject to maximum of two clubs in accordance with the rules of the Company.

6. Personal Medical/ Accident Insurance etc. : Coverage for Personal Medical/Accident Insurance/ Keymen Insurance or any other coverage as per the rules of the Company and annual premium for the same to be paid by the Company.

Explanation : " Family " means the spouse, the dependent children and dependent parents.

7. Contribution to provident fund, superannuation fund or annuity fund will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.

8. Gratuity payable shall not exceed half a month's salary for each completed year of service.