MD	✓	BKC	✓
CS	✓	DPY	
RO	✓	DIV	
TRA	✓	AC	✓
AGM		SH	✓
YC			

BATLIBOI

Batliboi Ltd.

BATLIBOI

BOARD OF DIRECTORS

Mr. Pratap Bhogilal - Executive Chairman
Mr. Nirmal Bhogilal - Managing Director
Dr. K. K. Anand
Mr. J. R. Shah
Mr. M. L. Bhakta
Dr. S. M. Patil
Mr. P. N. Kaul
Mr. Vijay R. Kirloskar
Mr. N. N. Pai
Mr. S.D.S. Mongia

CORPORATE MANAGEMENT

Mr. Pratap Bhogilal	Executive Chairman	
Mr. Nirmal Bhogilal	Managing Director	
Mr. G. S. Sawhney	Group C.F.O.	
Mr. C. Balaraman	C.E.O.	Environmental Engineering Group
Mr. G. Verghese	C.E.O.	Textile Engineering Group
Mr. V. S. Puri	C.E.O.	Industrial Marketing Group
Mr. V. P. Caszo	V.P.	HRD/Organisational Development
Mr. S. K. Sengupta	V.P.	Air Conditioning and Refrigeration Group
Mr. A. A. Karnik	V.P.	Plastics Machinery Division
Mr. R.K. Kaul	V.P.	Machine Tools & Foundry
Mr. Deepak Dua	V.P.	Machine Tools – Trading

GENERAL MANAGER (LEGAL) & COMPANY SECRETARY — Mr. B. B. Vanwari

REGISTERED OFFICE — Bharat House, 5th Floor, 104, B. S. Marg, Fort, Mumbai 400 001. INDIA.

CORPORATE OFFICE — Batliboi House, S. V. Road, Jogeshwari (W), Mumbai - 400 102. INDIA.

FACTORY
a) P.O. Fateh Nagar, Surat Navsari Road, Udhna – 394 220
b) Srv. No. 185/1/1, Plot No. 19 Village Amli, Silvassa – 396 230

SOLICITORS — Kanga & Co.

AUDITORS — V. Sankar Aiyar & Co.

REGISTRAR & SHARE TRANSFER AGENTS — Datamatics Limited, Plot No. A/16 & 17, MIDC, Marol, Andheri (E), Mumbai - 400 093.

BANKERS
Bank of Baroda
Corporation Bank
Dena Bank
Syndicate Bank
Punjab National Bank
Union Bank of India

54th Annual General Meeting

NOTICE

NOTICE is hereby given that the Fifty Fourth Annual General Meeting of BATLIBOI LTD, will be held at M.C. Ghia Hall, Bhogilal Hargovindas Building, K. Dubash Marg, Mumbai - 400 023 on Tuesday, 26th August, 1997 at 3.00 p.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Report of the Directors, the audited Profit and Loss Account for the year ended March 31, 1997, the Balance Sheet as at that date and the Report of the Auditors thereon.

2. To appoint a Director in place of Mr S D S Mongia, who retires by rotation and, being eligible, offers himself for re-appointment.

3. To appoint a Director in place of Mr N N Pai, who retires by rotation and, being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Mr J R Shah, who retires by rotation and, being eligible, offers himself for re-appointment.

5. To consider and, if thought fit, to pass, with or without any modification, the following as an ORDINARY RESOLUTION :

   "RESOLVED THAT Messrs V Sankar Aiyar & Co., Chartered Accountants be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting;

   RESOLVED FURTHER THAT the remuneration payable to the aforesaid Auditors, appointment of and remuneration to Branch Auditors shall be mutually agreed upon between the concerned Auditor/s and the Board of Directors."

SPECIAL BUSINESS :

6. To consider and, if thought fit, to pass, with or without any modification, the following as an ORDINARY RESOLUTION :

   "RESOLVED THAT pursuant to Section 372 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval, wherever necessary of the Central Government, in addition to the investments in the shares of any body or bodies corporate which the Board of Directors of the Company is entitled to make up to the limits prescribed under Section 372 of the Companies Act, 1956, the Board of Directors of the Company be and is hereby authorised to further invest, in excess of the said limits, in the shares of a company as under :

Name of the Company	:	Hiross Batliboi (India) Pvt Ltd
Amount of investment	:	Rs.73,50,000/-
Number of shares to be acquired	:	7,35,000
Face value of each share	:	Rs.10/-
Rate at which to be acquired	:	Rs.10/-
Mode of acquisition	:	By way of direct subscription to 7,34,951 shares aggregating Rs.73,49,510/-, and by way of purchase from an existing shareholder of 49 shares aggregating Rs.490/-; in all 7,35,000 shares aggregating Rs.73,50,000/-.

   RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as in its absolute discretion it may consider necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto in order to give effect to this resolution or otherwise considered by the Directors to be in the best interests of the Company."

7. To consider and, if thought fit, to pass, with or without any modification, the following as a SPECIAL RESOLUTION :

"RESOLVED THAT subject to the provisions of Section 17 and any other applicable provisions, if any, of the Companies Act, 1956 and subject to the necessary approval, confirmation of the Company Law Board, if required, or any other authority competent in this regard, Clause 3, (objects clause) of the Company's Memorandum of Association be amended as under :

a) in subclause (xxiii) : the word 'immovable' be deleted;

b) in subclause (xxxv) : the word 'immovable' be deleted;

c) in subclause (xli) : the word 'agriculture' be deleted."

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

"RESOLVED THAT subject to the provisions of Section 17 and any other applicable provisions, if any, of the Companies Act, 1956 and subject to necessary approval, confirmation of the Company Law Board or any other authority competent in this regard, Clause 3 (objects clause) of the Company's Memorandum of Association be amended by way of addition thereto of a new subclause (xlii) as under :

(xlii) To carry on business of and relating to restaurants, eating places, refreshment houses, public houses, fast food, caterers for houses, amusement centres, hotel, motel, holiday resort, time sharing resorts, recreation centre, sports, leisure, boarding and lodging, guest house, house keepers, clubs, reading rooms, libraries, play grounds, games centre, swimming pools and all the conveniences, amenities and facilities adjunct thereto in India or in any other part of the world and enter into a partnership agreement or any other suitable agreement, collaboration, joint ventures or other arrangement for the above mentioned purposes."

By Order of the Board of Directors

B. B. VANWARI
GENERAL MANAGER (LEGAL) &
COMPANY SECRETARY

Mumbai: 26th June, 1997

Registered Office :
Bharat House, 5th Floor
104, Bombay Samachar Marg
Mumbai - 400 001

NOTES:

a) A MEMBER, ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. The Proxy Form should be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the meeting.

b) The Register of Members and the Share Transfer Books will be closed from 8th August, 1997 to 20th August, 1997 (both days inclusive).

c) Any change in address of members may please be intimated immediately to the Company.

d) Members desiring any information as regards the Accounts at the Meeting are requested to write to the Secretary of the Company so as to reach latest by 18th August, 1997 to enable the Management to give the information at the time of the Meeting.

e) As a measure of economy, copies of the Annual Report will not be distributed at the Meeting. Members are, therefore, requested to bring their copies of the Annual Report to the Meeting.

Annexure to Notice

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

Item No. 6

Your Company holds investments in various bodies corporate. In order to diversify the Batliboi Group's business activities, your Company, as the Group's flagship Company has promoted a new Joint Venture Company, viz. Hiross Batliboi (India) Pvt Ltd, with the foreign collaborator, viz. M/s Hiross S.p.A. Italy. The initial investments by your company in the said company shall be to the extent of Rs. 73,50,000/- being 49% of the issued equity share capital of Rs.150 lacs; the balance equity capital is being contributed by the foreign collaborator.

The foreign collaborators ie: M/s Hiross S.p.A. Italy are in High Precision Air Conditioning field of activity, with which your Company shall be promoting the above Joint Venture Company.

The above joint venture, being in the capital goods sectors, with the foreign collaborator who are leaders in their concerned field, envisaged to be profit making entity, and your Directors are confident that your Company's proposed investments therein shall yield good returns to the Company. Accordingly, your Directors recommend the above resolution in the annexed Notice for your approval.

None of the Directors except Mr Nirmal Bhogilal, who is a Director of Hiross Batliboi (India) Pvt Ltd and Mr Pratap Bhogilal, who is a relative of Mr Nirmal Bhogilal, are directly or indirectly concerned or interested in the above resolution.

Item No. 7

The promoters of the Company had renounced 3,33,185 Detachable Equity Warrants to M/s Balsam Holdings Ltd, an Overseas Corporate Body. These Detachable Equity Warrants (of Rs.10 each at a premium of Rs.30/-, aggregating Rs.40/-) were issued along with 17.5% Non Convertible Debentures by way of Rights Issue in 1992.

M/s Balsam Holdings Ltd, had since offered to take up 3,33,185 such warrants (and acquire 3,33,185 equity shares on exercise of rights thereunder), on a repatriable basis. The necessary Reserve Bank of India ('RBI') approval was obtained and RBI approval for issue of shares also was granted for the proposed issue of these 3,33,185 shares to M/s Balsam. The said approval of RBI stipulated a condition as to deletion from your Company's objects clause, activities relating to buying/selling/dealing in immovable property and carrying on agricultural activity as enabled by Subclauses (xxiii), (xxxv) and (xli) in the said objects in your Company's Memorandum of Association. The resolution at this item is intended to achieve compliance with the relevant condition stipulated in the said RBI approval letter.

None of the Directors are directly or indirectly concerned or interested in the above resolution.

Item No. 8

Your Company proposes to diversify into the lucrative business of restaurants, hospitality and recreation. The present objects clause of the Company's Memorandum of Association does not, at present, provide for carrying of such business. It is envisaged that the carrying on of such business by your Company would, in addition to enabling welcome diversification into the non-engineering sector, also generate substantial distributable profits in the long run, and the resolution at this item is intended to bring about this desirable effect.

None of the Directors are directly or indirectly concerned or interested in the above resolution.

By Order of the Board of Directors

B. B. VANWARI
GENERAL MANAGER (LEGAL) &
COMPANY SECRETARY

Mumbai: 26th June, 1997

Registered Office :
Bharat House, 5th Floor
104, Bombay Samachar Marg
Mumbai - 400 001

DIRECTORS' REPORT

The Members,

Your Directors submit their 54th Annual Report together with the Audited Accounts for the year ended 31st March, 1997.

1. FINANCIAL RESULTS

	Year ended 31-03-97 (Rs. in lakhs)	Year ended 31-03-96 (Rs. in lakhs) (Figures regrouped)
Total Sales (including indirect sales)	35473.69	30174.00
Sales income	23886.56	24242.14
Other income	123.76	632.38
Operating Profits	795.75	1280.61
Add: Amount withdrawn from revaluation reserve	38.72	39.84
	834.47	1320.45
Less: Interest	1016.52	915.80
Depreciation	312.18	250.58
Deferred revenue Expenditure	64.93	56.27
Profit/ (Loss) before tax	(559.16)	97.80
Profit/ (Loss) after tax	(559.16)	97.80
Add/ (Less)		
Transfer from Investment Allowance Reserve utilised	23.07	3.34
Transferred from General Reserve	40.00	–
Balance as per last Balance Sheet	90.86	224.55
Available Surplus /(Deficit)	(405.23)	325.69
Directors' recommendations for appropriation:		
Proposed Dividends on Equity Shares	–	36.93
Transfer to General Reserve	–	–
Transferred to Debenture Redemption Reserve	–	197.90
Balance to be carried forward	(405.23)	90.86

2. PERFORMANCE

The overall performance for the 12 months ended 31st March, 1997 was disappointing mainly due to recession in the engineering & capital goods industry. The total sales including indirect sales (which is reflected in the Balance Sheet by commission income generated from it) increased from Rs. 302 crores to Rs. 354 crores. With severe liquidity crunch there was a decline in demand and increased competition and together with increased costs put pressure on the margins. Reduction in other income compared to the previous year, arrears of wages paid at the manufacturing Division at Udhna and the costs incurred in closing of the Home Appliances Division also contributed to the loss. The total income stood at Rs. 240.10 crores as against Rs. 248.75 crores for the previous year. This resulted into a loss of Rs. 559.16 lakhs as against a profit of Rs. 97.80 lakhs for the previous year.

3. DIVIDENDS

Your Directors regret their inability to recommend dividend in view of the loss.

4. OPERATIONS

4.1 Business Group I

Machine Tools & Foundry

The Machine Tool Division showed a significant improvement in sales during the year. The despatches from the Plant were for a total value of Rs. 26 crores as against Rs. 16.8 crores during the year 1995-96. However, greater competition and the payment of wage arrears ate into the operating margins.

The addition of Vertical Machining Centres to be built with technical know how from Cincinnati Milacron, U.S.A., will contribute to increasing the output during 1997-98.

During the year the plant designed a new radical drilling machine with drilling capacity of 60 mm and drilling radius of 2350 mm. The Division has plans to introduce a Radial Drilling Machine of 25 mm drilling capacity and a smaller size milling machine in 1997-98. The Udhna Plant has started a project named "Diamond Ring" for improvement in the quality performance of its machines. The ISO 9001 certification has been renewed till October, 1999.

Due to recessionary trend in engineering industries, the Foundry could not achieve the budgeted turnover during the year and unfortunately showed operating loss. Expansion work in the machine moulding areas is nearing completion and will be operational from the second half of 1997-98, thus enabling us to cater to the demand of High value Castings.

The ISO 9002 certification has been renewed till October 1999.

4.2 Business Group II

Machine Tool Division (Agencies)

Machine Tool (Agencies) Group achieved an indirect turnover of Rs. 54 crores as against Rs. 23 crores during the last year.

In this year this Division has executed prestigious orders of highly sophisticated roll grinding machines of Toshiba Machine Company, Japan to TISCO, Bokaro.

Efforts are being made to expand business by entering into more marketing tie-ups with companies from various parts of the world.

4.3 Business Group III

The year began with a very healthy backlog of orders. Order booking during the year suffered because of gradually emerging slump in the market. Inspite of poor business conditions, the Divisions ended the year with satisfying results.

Power Generation Division (PGD)

It was a record year for PGD. For the first time, it installed and commissioned 1.8 MW D.G. set for MRPL. It also did major contracts for BWSSB for a number of generators on turnkey basis.

The outlook for business was very encouraging to begin with. The second half of the year showed tremendous slow down in order booking and offtake. This resulted in gradual build up of inventory as well. As a consequence, results of second half were not as buoyant as expected. This also resulted in lower backlog of orders. Thus, 1997-98 would be a very challenging year to sustain momentum built up over the last 2 years.

The Division commenced setting up its new assembly facility at Silvassa. This is expected to be operational by September '97.

Material Handling Division (MHD)

Slowness in the market resulted in this Division achieving only marginal growth of business much less than budgeted. The slow down was affected more during the last quarter. It is anticipated that industrial growth would gradually resume by mid 1997 so as to regain momentum.

Industrial Controls Division (ICD)

The Division was able to break even. There were delays in introduction of full range of Contractors from Sprecher & Schuh. As these are likely to be available during the coming year and as a result of market development, the Division is looking forward to a substantial growth for 1997-98.

4.4 Business Group IV

Project Engineering Division (PED)

While overall results were poor because of lack of pending work at the beginning of the year, substantial new orders were booked during the year which augurs well for 1997-98 viz:

1) Lift Irrigation Project from Irrigation Department, Government of Karnataka in Periyapatna valued at Rs. 640 lakhs.
2) Three Effluent Treatment-cum-Pumping jobs from MSEB for their Khaperkheda, Nasik and Koradi Thermal Power stations valued at Rs. 700 lakhs.
3) Pumping Station job from Delhi Municipal Corporation for Zafrabad station valued at Rs. 250 lakhs.

Majority of execution yet to be completed of Rs. 36 crores order from CMWSSB is also expected to be completed and handed over in 1997-98.

The Agency Group which include Steam Turbine from Dresser Rand has also done reasonably well during the year having booked orders valued about Rs. 16 crores, which will be carried forward for execution next year.

4.5 Business Group V

Textile Engineering Group

In a year when the textile industry was in recession and the Indian textile machinery industry showed a decline of more than 25%, this Group's business declined marginally and margins were under pressure. As a result, profits were lower than budgetted.

The main highlight of the year was the successful participation in ITME '96' an international exhibition held once in four years and one of the biggest in Asia. Batliboi Textile Engineering Group was one of the biggest participants and the overwhelming response from the visitors confirmed that our concept and approach to business was the right one. All our foreign principals participated as part of the Batliboi Group and were extremely enfused with the interest shown. Our participation in the exhibition resulted in sizeable order booking.

(a) *Textile Machinery Division (TMD)*

This Division succeeded in retaining the market share in open end spinning machines, knitting and processing machines and the operations during the year were satisfactory. We could also make significant breakthrough in the new products added during the previous year viz. "RATTI" Winders and "PROTTI" flat knitting machines. Two orders for two-for-one Twister for silk from Ratti heralded our entry into silk business.

A healthy carry forward order book position of Rs. 12 crores ensures a good start to the present year. Plans are afoot to add products which will complement the existing range and enable the Division to maintain its growth pattern.

(b) *Textile Air Engineering Division (TAE)*

Manufacturing of waste recovery equipments in technical collaboration with MAZZINI ICI, Italy, commenced during the second half of the year. The new technology and the equipments have been well accepted by the Textile Industry and we could book four major orders for waste recovery systems. Waste/Fibre recovery has excellent growth because of its need in modern blowroom and preparatory machines. Operations during the 2nd half of the year reflected a slow down and hence the performance did not come up to expected levels.

With the latest technology available from MAZZINI for Textile Air Engineering Equipments and automatic controls from Sauter, Switzerland, we can now offer totally automated plant complete with airconditioning and waste recovery equipments for modern textile mills.

Number of prestigious projects incorporating the above were completed and handed over during the year and to mention a few:

Raymond Calitri denim Ltd., AARTI International Ltd., Bhandari Hosiery Exports Ltd., GTN Textiles Ltd., Maris Spinners Ltd., Sambanmdam Spinning Mills Ltd.

With the improvement in the prospects of the textile industry, 1997-98 should be year of substantial improvement in performance.

This Division is expected to receive its ISO 9001 certification during 1997-98.

4.6 Business Group VI

Air Conditioning & Refrigeration Division (AC & R)

The overall results of this Division were not satisfactory due to the poor order inflow during the year. This was the result of the overall downturn in the industrial sector coupled with the tight money market situation. However, the Division continues to bring in the latest technology as a part of its long term plan. Thus, latest TRANE air cooled Screw Chillers were brought to "KEMPFORT" Bangalore; High Precision Air Conditioners with micro processor controls from HIROSS, Italy were chosen for STAR TV in Mumbai for their sophisticated broadcasting studios and the first Variable Refrigerant Volume (VRV) system in India - the latest innovation in air conditioning to achieve major saving in energy and space-were installed in Mumbai for WOCKHARDT group.

Discussions are in advance stage with a reputed International Company for acquiring technology for manufacturing of latest semi-hermetic compressors and sophisticated Roof Top Chillers in order to offer a much wider choice to customers to fulfil their fast changing needs.

Having been ISO 9002 certified for manufacturing compressors for the last few years, the Division is now working for ISO 9001 certification for its entire range of products & services.

4.7 Business Group VII

Agro Industrial Products Division (AIPD)

For the year there was a decline in demand for both diesel and electric pumpsets, primarily on account of reduced government financing and severe power cut in most parts of the country. Uncertainty in the political arena both at the Centre and the States contributed to delayed decision making.

Therefore the second half of the year which is the peak season for this Division did not take off and in fact the demand was lower than in the previous year. Coupled with this, there was pressure on margins because of increased competition.

These factors seriously affected the performance of this Division.

In order to face the unfavourable and difficult market conditions which are expected to continue, appropriate steps have already been initiated.

Shareholders were informed in last year 's Directors Report that in view of increasing domestic and international competition and the additional resources required, the Company closed its Home Appliances Division effective 1st April, 1996. The market developments during the year 1996-97 confirms the appropriateness of our decision.

The costs incurred to reduce the manpower, liquidate the inventories and collect the receivables increased further our losses, though it will help the Company in subsequent years.

4.8 Business Group VIII

Air Pollution Control Division (APC)

The performance of the APC Division during the year under review was not satisfactory as number of equipments could not be despatched owing to delay in many of the large core sector projects. However, we have completed some of the old projects like:

– Pollution Control System for Boilers - IISCO, Durgapur

– Electric Arc Furnace Nos. 2 and 8 - ASP, Durgapur.

Because of stringent pollution control measures taken by various pollution control Boards and tremendous amount of public awareness around the world, pollution control business is expected to grow manifold in the coming years. Some of the major orders received during the years are:

1) Malvika Steel Ltd. - Gas Cleaning Plant - Rs. 70 lakhs.

2) INDOMAG (for JVSD Project)- Dust Extraction System Hot Metal Desulphurisation and Ladle hearth Furnace - Rs. 100 lakhs.

3) JVSD - Deousting System for Raw Material Handling and Storage System - Rs. 255 lakhs.

4) Rain Calcinning (through Wheelabrator, U.S.A.) Spray Dryer Project - Rs. 130 lakhs.

The Division has taken various steps to improve its performance in 1997-98.

Industrial Fan Division (IFD)

Due to recessionary trends in Industry, many of the large projects were delayed and this reflected on the despatches of fans. Although the pending order position was very good, timely despatches could not be effected. We have already several orders from Cement and Steel Industries and we are making inroads into Power, Petrochemicals and Fertiliser Industry.

Although our current market share is not substantial because of good quality, robust design and higher efficiency Batliboi fans are treated at par with the leaders in the field and the response from the market especially for critical applications in the core sector has been satisfactory. This Division has a high growth potential and with the support of our collaborator, M/s. Ventilatorenfabrik Oelde GmbH, Germany, the prospects are encouraging.

4.9 Business Group IX

Plastics Machinery Division (PMD)

Facilities for manufacturing injection moulding machines have been established at Udhna. The first batch of four CKD machines was assembled there and two of them sold to M/s Cello Plastic Industrial Works, Daman. The machines have been commissioned and are being used to manufacture caps for the well known range of Cello Pens.

Two large size machines were sold to M/s LML, Kanpur for manufacture of scooter parts. The total order value was Rs. 5 crores.

The Division represented the Company at the Third International Plastics Exhibition, Plastindia '97 held at Pragati Maidan, New Delhi in March 97. The response was good.

The Division has tied up with a renowned mould maker from Taiwan as well, and this compliments its efforts to sell machines. The Division has already received orders for various furniture, crate and cutlery moulds.

Because of the recessionary trends, the sale of these machines during the year under review were below budgeted levels, but with improvement in the industrial climate, this Division should be a welcome addition in our diversification.

Prospects for the Division are good as indigenisation of the machines is going smoothly and the first batch of indigenous machines will be delivered to customers in the early part of this year.

We are exploring further co-operation with our collaborators, M/s Toshiba Machine Co. Ltd., Japan in expanding the range of injection moulding machines.

5. PROSPECTS

The liquidity crunch being faced by the Industry in general continued to adversely affect the business of the Company. The fluid political situation in the country also had its negative impact on the business sentiments in general. However, consequent to the positive Budget proposals for the year 1997-98 and various other measures taken by the Government, the business scenario is expected to improve in the future.

The Company's new RDBMS based Corporate Computerised Management Information System named BAPS (Batliboi Application System), developed with the help of M/s Tata Consultancy Services, who have put in 500 man-months is under various phases of implementation. The application software will cover all activities of the Company. Implementation of application system at all the locations will improve the efficiency and productivity of the Company.

During the year under review, M/s Renoir Consulting, UK, who had been retained to improve productivity at the Company's manufacturing facility at Udhna did not complete their full assignment. Nevertheless internal teams have been constituted under a programme aptly named "Utkarsh" for productivity improvement and cost reduction.

6. RESTRUCTURING OF ORGANISATION

The Company has begun a programme of reorganisation and restructuring from April, 1997.

The existing 9 Business Groups are regrouped into 5 Strategic Business units viz. Machine Tools (BMTG), Industrial Marketing (BIMG), Environmental Engineering (BEEG), Textile Engineering (BTEG) and Airconditioning & Refrigeration (BACRG). Each of these will function autonomously with their own marketing, manufacturing, execution, finance and accounting organisation and structure under the overall focus and supervision from the Corporate. This is expected to enable each to be more focussed, productive and therefore more profitable both on the short and long term.

7. FOREIGN EXCHANGE EARNINGS AND OUTGOINGS

During the year, foreign exchange earnings were Rs. 794 lakhs and the foreign exchange outgo was Rs. 151 lakhs. Further details may be obtained by referring to Notes 19 & 20 to the Accounts.

8. FIXED DEPOSITS

Deposits aggregating Rs. 6,30,500/- falling due for payment on or before 31st March 1997 were standing unclaimed as on that date.