

DOM INVESTED ANNUAL REPORT

1997

BOARD OF DIRECTORS

Dr. Vinay Bharat-Ram
Chairman & Managing Director

Dr. Bharat Ram
Chairman-Emeritus

Dr. Abad Ahmad
Shri Arun Bharat Ram
Shri Vivek Bharat Ram
Shri J. B. Dadachanji
Dr. Abid Hussain
Shri N. N. Jambusaria
Shri M. M. Kapur
Shri. D.H. Pai Panandikar
Shri Rajive Sawhney
Shri Raghbir Singh
Shri Hari Shankar Singhania

SECRETARY

Shri. K.G. Nambiar

BANKERS

Bank of Baroda
Indian Bank
Punjab National Bank
State Bank of Bikaner & Jaipur
Syndicate Bank

AUDITORS

A.F. Ferguson & Co.,
New Delhi

REGISTERED OFFICE

Kanchenjunga Building,
18, Barakhamba Road,
New Delhi - 110 001

DCM Limited

Registered Office: Manoharjyoti Building,
13, Barakhamba Road,
New Delhi - 110 001.

NOTICE

The 1998 Annual General Meeting of the Company will be held on Friday, the 25th day of September, 1998 at 11.00 A.M. at The Centaur Hotel, Indira Gandhi International Airport, Gurgaon Road, New Delhi - 110 037, for transacting the following business:

1. To consider and adopt the Directors' Report, the audited Balance Sheet as at 31st December, 1997, and the Profit and Loss Account for the year ended on that date.
2. To appoint Directors in place of:
 - 2.1 Shri Rajive Sawhney
 - 2.2 Shri N.N. Jambharsie
 - 2.3 Dr. Bharat Ram
 - 2.4 Shri J.K. Dalalchini

who retire by rotation and being eligible, offer themselves for re-appointment as Directors.

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

"RESOLVED THAT Messrs A.J. Ferguson & Co., Chartered Accountants, be and are hereby re-appointed auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and that the Board of Directors be and is hereby authorised to fix their remuneration."

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

"RESOLVED THAT pursuant to Section 314 and other applicable provisions, if any, of the Companies Act, 1956, and/or any other approval/s as may be necessary, the Company hereby accords its approval to the promotion of Shri Sunant Bharat Ram as General Manager (Operations) - Real Estate Division w.e.f. 01.10.1997 at a basic salary of Rs.13,000/- per month in the grade of 15,000-1,500-30,000 plus perks as may be applicable to the General Managers grade and his continuing to hold an office of profit under the Company."

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

"RESOLVED THAT in accordance with the provisions of Sections 195, 269, 312 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956, or any amendment and/or modification/s thereof, the consent of the Company be and is hereby accorded to the appointment

of Dr. Vinay Bharat Ram as Managing Director of the Company for a period of 5 years, with effect from 01.09.1998, on the terms and conditions and on remuneration, including commission and perquisites as set out in the Explanatory Statement to this Resolution."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to fix and/or re-fix the remuneration thereof including payment of commission to the Managing Director provided that such remuneration including commission does not exceed limits prescribed from time to time under Schedule XIII or any other provisions of the Companies Act, 1956 and/or any statutory modification/s thereon."

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

"RESOLVED THAT the Company hereby accords its consent under Sections 309, 314 and other applicable provisions, if any, of the Companies Act, 1956, to Shri Inder Pal, Peora, Finance & Accounts Deptt., who will take office as an ex-officio Workman Director on passing of this resolution, for holding and continuing to hold an office of profit and to receive remuneration and other benefits as an employee of the Company."

By Order of the Board
For DCM LIMITED



K.K. NAMBIAR
Vice-President (Legal) &
Company Secretary

New Delhi
26th August, 1998

NOTES

1. Explanatory Statement as required under Section 173 (2) of the Companies Act, 1956 is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED AND IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED TO THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FOUR EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE ANNUAL GENERAL MEETING.
3. The Register of Members of the Company will remain closed

from Tuesday, the 15th September, 1998 to Friday, the 25th September, 1998 (both days inclusive).

4. The unclaimed dividend for the year ended 30th June, 1994 has been transferred to the General Revenue Account of the Central Government, in terms of Section 205A of the Companies Act, 1956. Individual communications in this respect has been sent to the concerned shareholders.
5. Shareholders are requested to notify change in their addresses alongwith PIN CODE, if any, to the Company at its Registered Office quoting their folio numbers.
6. Shareholders who are holding shares in identical order of names in more than one folio, are requested to write to the Company enclosing their share certificates to enable the Company to consolidate their holding in one folio.
7. Shareholders/Proxyholders are requested to produce at the entrance the attached admission slip duly completed and signed, for admission to the meeting hall.
8. Shareholders who have not returned their old share certificates of erstwhile DCM are requested to do so immediately to enable the Company to forward the new share certificates to them.
9. Shareholders who have not yet paid their "Allotment Money" against 16% PCDs issued by the Company, are advised to send the same alongwith interest calculated @ 20% p.a. for delayed period i.e. from 11.6.1993 till the date of payment, through demand draft/cheque payable at Delhi in favour of "DCM Limited", to avoid forfeiture.
10. Shareholders who have not surrendered the Allotment Letters Part - 'A' and 'B' comprising in 16% PCDs for exchange with share/debenture certificates are requested to do so immediately to enable the company to forward the share/debenture certificates.

ANNEXURE TO NOTICE

(EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956)

ITEM NO.3: A Special Resolution is required for appointment of Auditors under Section 224A of the Companies Act, 1956, as over 25% of the subscribed share capital of the Company is held by the Institutions specified in that Section. The Auditors have confirmed that their re-appointment, if made, will be in accordance with the limits specified in Section 224(1B) of the Companies Act, 1956.

ITEM NO.4: The Shareholders in its Annual General Meeting held on 22.05.1996 approved appointment of Shri Sumant Bharat Ram as Dy. General Manager (Commercial) at a basic salary of Rs.8,000/- p.m. in the grade of Rs.8000-800-12000 plus other perquisites/benefits/amenities as may be applicable and/or decided. Taking into account the performance shown by Shri Sumant Bharat Ram during his service as Dy. General Manager

(Commercial), the Board of Directors in their meeting held on 27.2.1998 reviewed his performance and promoted him, subject to the approval of the shareholders, the Central Government and/or any other approval(s) as may be necessary, as General Manager (operations) - RED w.e.f. 1.10.1997 at a basic salary of Rs.15,000/- p.m in the grade of Rs.15,000-1500-30,000 plus perks as may be applicable to General Managers grade.

Under Section 314 of the Companies Act, 1956, the appointment of Shri Sumant Bharat Ram and his continuing to hold an office of profit under the Company, require the approval of the shareholders.

Dr. Vinay Bharat-Ram, Chairman & Managing Director and Dr. Bharat Ram, Director are interested in the resolution.

ITEM NO.5: Dr. Vinay Bharat-Ram was re-appointed as Managing Director of the Company for a period of 5 years w.e.f. 01.09.1993 at a remuneration of Rs.50,000/- per month plus other perks as was approved by the shareholders in its meeting held on 24.12.1993. Since the 5 years term of appointment expires on 31.08.1998, the Board of Directors of the Company in its meeting held on 26.08.1998, subject to approval of the Shareholders and/or any other approvals as may be necessary under applicable provisions of the Companies Act, 1956 or any amendment/s and/or modification(s) thereof, re-appointed Dr. Vinay Bharat-Ram as Managing director of the Company for a period of five years w.e.f. 01.09.1998 and also fixed remuneration payable to him as set out below :

REMUNERATION

- a) Salary Rs.50,000/- per month
- b) Perquisites

Perquisites shall be restricted to an amount equal to the annual salary or Rs.4,50,000/- per annum, whichever is less.

Perquisites are classified into three Categories 'A', 'B' and 'C' as given below.

- c) **Commission On net Profits** Commission including remuneration not exceeding 5% of the net profits of the Company in a particular year or as may be permissible from time to time under Section 198 and 309 of the Companies Act, 1956 or any other provisions as may be applicable.
- d) **Minimum Remuneration** In the event of absence or inadequacy of profits, no reduction from salary and perquisites shall be made. The entire applicable remuneration by way of salary and perquisites mentioned above shall be paid as minimum remuneration, subject to provisions under Schedule XIII of the Companies Act, 1956.

PERQUISITES

Category 'A'

- (i) **Housing-I** The expenditure by the Company on hiring furnished accommodation for him will be subject to the following ceiling.

60% of the salary over and above 10% payable by him.

Housing-II In case the accommodation is owned by the Company, 10% of his salary shall be deducted by the Company.

Housing-III In case no accommodation is provided by the Company, he shall be entitled to house rent allowance subject to the ceiling laid down in Housing I.

Explanation The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income tax Rules, 1962. This shall, however, be subject to a ceiling of ten per cent of his salary.

- (ii) **Medical Reimbursement** Expenses incurred for self and the family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
- (iii) **Leave Travel Concession** For self and his family once in a year incurred in accordance with Rules specified by the Company.
- (iv) **Club Fees** Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fee.
- (v) **Personal Accident Insurance** Premium not to exceed Rs.4,000/- per annum.

Category 'B'

- (i) Contribution to the Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-tax Act.
- (ii) Gratuity payable not exceeding half a month's salary for each completed year of service.
- (iii) Encashment of leave at the end of tenure will not be included in the computation of the ceiling on perquisites.

Category 'C'

Provision of car for use of 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 him.

OTHER TERMS APPLICABLE TO THE ENTIRE TENURE:

- i) Remuneration for 2 part of the year shall be computed on pro-rata basis.
- ii) The Managing Director shall be entitled to reimbursement of all actual expenses including on entertainment and travelling incurred in the course of business of the Company which will not be treated as an item of remuneration for the purpose of section 198 of the Companies Act, 1956.
- iii) He will not be paid any sitting fees for attending the meetings of the Board of Directors or Committee(s) thereof.
- iv) The appointment as aforesaid may be terminated by either

party giving to the other six calendar month's notice in writing.

The terms of appointment and remuneration including minimum remuneration proposed for Dr. Vinay Bharat Ram, are contained in the resolution. The same constitutes the abstract of the terms of appointment of Dr. Vinay Bharat Ram as Managing Director as required under Section 302 of the Companies Act, 1956.

Dr. Vinay Bharat Ram is interested in the Resolution and Dr. Bharat Ram, Shri Arun Bharat Ram and Shri Vivek Bharat Ram, who are related to Dr. Vinay Bharat Ram, may be deemed to be interested in the Resolution.

ITEM NO.6 : Under Article 65(a), read with Article 65 A of the Articles of Association of the Company, an ex-officio Workman Director is elected every year from among the workers of the Company, who are grouped into several constituencies each returning a Director for a period of one year in its turn. In the election held this year from the constituency of Corporate Office, DCM Real Estate Division, Shri Indar Pal Peora, Finance & Accounts Deptt., has been elected as Workman Director. He will take office as an ex-officio Workman Director after the Special Resolution is passed by the shareholders, consenting to his holding and continuing to hold an office of profit in the Company. Such consent is necessary under Section 314 of the Companies Act, 1956. Shri Indar Pal Peora present getting a remuneration of Rs.3,900/- plus other allowances and facilities in common with other employees of his category.

The Central Government has in an earlier decision stated that as the Workman Directors do not enjoy any managerial powers, such Directors will not be deemed to be Whole-time Directors and as such approval of the Central Government will not be necessary for their appointment under Section 269 of the Companies Act, 1956.

None of the Directors is interested in the resolution.

INTEREST

Except as indicated under the respective items, none of the Directors is interested in any of the aforesaid resolutions.

INSPECTION

The particulars of remuneration of Shri Bharat Bharat Ram (Item No.4), appointment and terms of remuneration of Dr. Vinay Bharat Ram (No.5) and the particulars of remuneration of Shri Indar Pal Peora are open for inspection at the Registered Office of the Company at 2nd Floor, Sandeja Building - 8, Barakhamba Road, New Delhi on all working days between 11.00 A.M. to 1.00 P.M.

Directors' Report

Your Directors have pleasure in presenting the annual report alongwith audited accounts of the Company for the financial year ended 31st December, 1997.

FINANCIAL DATA

	Current Year (31.12.1997)	Crores/Rs. Previous Period (31.12.1996)
Profit before interest, depreciation and tax	34.18	31.11
Less: -Interest (Net)	64.07	68.18
-Depreciation	9.88	8.58
Add: Prior period adjustment	17.84	-
Profit/(Loss) before tax	(21.93)	(45.65)
Less: -Provision for tax/deferred tax charge	-	-
Profit/(Loss) after tax	(21.93)	(45.65)
Appropriations		
Add: -Investment allowance		
reserve written back	-	0.06
-Profit brought forward	(14.76)	19.08
-Transferred from General Reserve	-	11.75
Profit/(Loss)	(36.69)	(14.76)

DIVIDEND

Dividend has not been proposed by the Directors in view of the losses for the year under report.

OPERATIONS OVERVIEW

The operational Units of the Company have done well despite the adverse economic climate during the period under report and made good profits. However, due to depressed real estate market conditions and delay in construction activities for the reasons beyond the control of the Management, the Company has shown a loss of Rs. 21.93 Crores during the period under report as against Rs. 45.65 Crores in the previous year. All efforts are being made to expedite the construction activities and also the restructuring of the Company which is on the anvil, to improve the liquidity position and to effect debt reduction of the Company.

A review of operations of the company is given below :

1.0 DCM Engineering Products

The Unit continued to perform well and earned highest ever profit during the year under report, as a result of increased volume, effective cost control measures and adherence to stringent quality norms.

Sales registered growth of 22.5% despite recession in the automobile industry and set back in the export front due to upheaval in the Korean economy. This was possible due to aforesaid emphasis on the marketing plan and quality norms.

The Unit enhances its market share in the domestic market by receiving fresh orders from new entrants like Hyundai, New Holland, International Tractors etc.

1.1 DCM Tools & Dies

This was the second year of operations and during the year a large number of toolings were made for existing as well as new customers. There was marked improvement in productivity and efficiency due to extensive training imparted to the work force.

The Unit diversified operations and entered new market for manufacture of Die Casting Dies. The response from the customers have been good and order book position is comfortable.

1.2 DCM Precision Engineering

Commercial production for Cylinder Head for Railways was started w.e.f. 1st July, 1997. Engines supplied were used in the manufacture of new Locomotives and also as spares.

Quality was well received by the Railways and order book position is comfortable.

2.0 DCM Textiles

Textile Division maintained its good performance during current year also and showed improvement in all areas including Production, Sales Turnover and Exports. The unit also started Trading activities in Cotton Hosiery Yarn through job contract work in South Indian Mills.

Towards the end of the year, Cotton Textile Industry came under pressure due to excess supplies, demand shrinkage, lower exports as a result of currency crisis in South East Asia and damaged cotton crop. The impact of this recessionary trend may be felt in current year. Management has taken number of steps to overcome this recessionary pressure. As a part of modernisation, new G-5/1, LMW Ring Frames installation has commenced. Unit Management plans to improve the internal performance through optimum utilization of resources, constant review of cost reduction measures and adopting TQM principles for better Operations Management.

The Industrial relations scenario was satisfactory throughout the year.

3.0 DCM Real Estates

Due to the downturn in the country's economic scenario, the real estate market remained subdued. Consequently the company did not effect any real estate sales. The Company has however made substantial progress in terms of completion of various pre-construction activities. The Management has successfully got vacated 85 quarters and demolished the existing structures.

In view of the fact that the builders have not fulfilled their obligations with regard to the project for construction, the

Company sent termination notices to them. The company intends to do this project on its own within a specified time frame with a view to enhancing shareholders value and securing the interests of the investors.

Meanwhile the Company is close to finalising bulk deals with institutions which would bring in further liquidity to successfully complete the project.

RESTRUCTURING PLANS

In its endeavour to strengthen the financials, the Company has taken up the task of restructuring its operations so as to improve its liquidity position and cost effectiveness and also to see the overall interests of its creditors and shareholders. Broadly, the restructuring plan proposes to leverage the Engineering and Textile operating divisions by creating separate companies and/or joint venture companies.

The restructuring plan is designed to achieve the following objectives:-

- Reduce debt burden substantially
- Create growth avenues for healthy business of Textile & Engineering.
- Restructure and kick start Real Estate Division
- Reschedule debt to correspond to Real Estate cash flows.

ICICI acting as one of the lead term lending financial institution helped to formulate and structure the scheme and has conveyed in principle approval to the restructuring plans.

Consequently, the Scheme of Arrangement for Company's business under the restructuring plan was filed in the High Court of Delhi on 25.05.1998 u/s 391 - 394 of the Companies Act, 1956. Subsequently in view of the discussions with FIs the Scheme is likely to be modified. These modifications would be incorporated in the Scheme at the earliest.

ISSUE OF 19.5% NON-CONVERTIBLE DEBENTURES BY WAY OF PRIVATE PLACEMENT

The Company had issued by way of private placement 3,36,847 19.5% Secured Non-Convertible Debentures (NCDs) of Rs.1,000/- each on 20.02.1997 and the same remained redeemed as on 14.08.1998. The NCD holders have been requested to surrender Debenture Certificates for effecting payment in line with the repayment schedule communicated to them as per letter dated 16.7.1998. In this connection, the Company has been receiving favourable response from the NCD holders accepting the plan of repayment.

INVESTMENT IN SHARES/DEBENTURES

Details of Company's investments in shares and debentures are provided in the appropriate schedule.

FIXED DEPOSITS

The Company has matured deposits claimed but unpaid Rs.6.45 Crs as on 31st December, 1997. However, in view of the current cash mismatch faced by the Company a petition has been filed with the Company Law Board for grant of time for repayment pursuant to Section 58A(b) of the Companies Act, 1956. The order is awaited.

DIRECTORS

Dr. Parvinder Singh resigned from the Board w.e.f. 8th May, 1998. The Industrial Finance Corporation of India (IFCI) vide their letter No. IFCI/NDIC-1998-303 dated 29th May, 1998 withdrew nomination of Sh. B.N. Agrawal from the Board of the Company w.e.f. 29th May, 1998. The Directors placed on record appreciation of the valuable guidance provided by them during their tenure as Directors of the Company.

Shri Raghbir Singh will vacate his office as ex-officio workman Director and Shri Inder Pal will take-over in his place after the Annual General Meeting of the Company.

Shri Rajive Sawhney, Shri N.N. Jamniasaria, Dr. Bharat Ram and Shri J.B. Dadachanji will retire by rotation and being eligible offer themselves for re-appointment.

AUDITORS' OBSERVATIONS

The observations of Auditors are explained where necessary in the appropriate notes to the Accounts.

GENERAL

A statement showing particulars of employees under Section 217(2A) of the Companies Act, 1956, and the information required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 are attached.

SUBSIDIARY COMPANIES

The information required under Section 212 of the Companies Act, 1956 in respect of Subsidiaries of the Company form part of the Annual Report.

ACKNOWLEDGMENTS

The Directors acknowledge the active co-operation and help received from the Financial Institutions, Banks and Government Agencies.

The Directors wish to place on record their appreciation of the contribution made by employees at all levels during the year under report.

On behalf of the Board



VINAY BHATNAGAR
CHAIRMAN

New Delhi
26th August, 1998

Directors' Report Continued

ANNEXURE TO THE DIRECTORS' REPORT

Information as required under section 217(1)(e) read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

1. CONSERVATION OF ENERGY

(a) Energy Conservation Measures Taken:

Installed:

- Motor on Swing Frame Grinders were replaced with lower horse power without effecting the performance of grinders. Modified core drying ovens to reduce energy requirement for drying same volume of course. Reduced transmission lines losses by installation of 75 KVA capacitors in the utility feeder. Provided Sodium Vapour Lamps in place of HPMV Lamps. (Engg. Products)
- Textile unit has brought into use directly coupled supply air and return air fans replacing belt driven ones in Humidity Plants and FRP fans - on trial basis, added power capacitors resulting in increase of power factor from 0.88 to 0.93. Replaced pneumafil motors of Texmaco Cards by lower H.P. Motors without affecting the suction and Stoppage of Pneumafil Fan during gauging of Ring Frame. (Textile Unit)

(b) Additional Investments and Proposals for Reduction of consumption of Energy:

- It is proposed to install charging systems for furnace number four in Plant-I. The Unit proposes to install automatic sensors for regulating supply of fuel to new Sand Plant. (Engg. Products)

(c) Impact of the above measures:

- It would help optimization of process parameters in addition to reduction in cost of production. (Engg. Products)

(d) Total energy consumption and energy consumption per Unit of Production :- Form - A appended herein.

2. TECHNOLOGY ABSORPTION:

Efforts made in technology absorption are furnished in prescribed Form-B appended herein :

3. FOREIGN EXCHANGE EARNINGS & OUTGO:

Total Foreign Exchange used and earned

Foreign exchange used (Lac/Rs.) 32.95

Foreign exchange earned (Lac/Rs.) 1102.75

FORM - A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY : 1997

A. POWER AND FUEL CONSUMPTION:

Particulars	1997	1996
1. Electricity		
(a) Purchased :		
- Unit (MWH)	64067.49	63197.29
- Total Amount (Lac/Rs.)	1706.64	1434.70
- Rate per unit	2.66	2.27
(b) Own Generation :		
(i) Through Diesel Generator.		
- Unit (MWH)	10866.06	3755.24
- Unit per ltr. of Diesel oil	2.75	3.78
- Cost/units (Rs./KWH)	2.28	1.96
(ii) Through Steam Turbine/Generator	-	-
2. Coal Not Applicable.		
3. Furnace Oil (LDO & HSD)		
- Quantity (K. Ltr.)	4613.21	1237.00
- Total Amount (Lac/Rs.)	392.25	88.38
- Average Rate (Rs./K. Ltr.)	8503.00	7145.00
4. Others (LPG)		
- Quantity (MT)	372.00	347.00
- Total cost (lacs/Rs.)	63.58	52.24
- Rate/unit (Rs./MT.)	17091.00	15067.00

B. CONSUMPTION PER UNIT OF PRODUCTION

Particulars	Standards (if any)	1997	1996
Electricity (KWH)	2150	1876.00	1957.00
Furnace Oil/hsd (Ltrs)		47.70	37.40
Coal		-	-
Others (LGP)(KGS)		12.00	13.30

FORM - B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION : 1997

RESEARCH AND DEVELOPMENT

1. SPECIFIC AREAS IN WHICH R & D CARRIED OUT BY THE COMPANY

R & D was carried out for development of new castings, improvement in the quality of casting under commercial production and for design and manufacture of new toolings. (Engg. Products).

R & D was carried out for the manufacture of Pattern Tooling in S.G. Iron Quality (DCM Tools & Dies)

R & D was carried out for development of Cylinder Heads for Railways. Quality of Cylinder Heads is well received by Railway. (DCM Precision)

2. BENEFITS DERIVED

New orders have been received from domestic and export market. (Engg. Products)

Improved quality and life of tooling (DCM Tools & Dies)

Product is well accepted in the market (DCM Precision)

3. FUTURE PLAN OF ACTION

R & D is an ongoing process. (Engg. Products).

Development of Die Casting Dies (DCM Tools & Dies)

R & D is an ongoing process. (DCM Precision)

4. EXPENDITURE ON R&D

R & D is being carried out by the technical staff who is also engaged in normal production. (Engg. Products).

R & D is being carried out by the technical staff who is also engaged in normal production. (DCM Tools & Dies)

R & D is being carried out by the technical staff who is also engaged in normal production. Measures would lead to reduction in cost of production and optimisation of process parameters. (DCM Precision)

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. EFFORTS MADE

Foundry has perfected the state of art technology of making precision automotive castings. All castings have been developed by our technical team. (Engg. Products)

Tool Room has perfected the technology and manufacture intricate toolings. (DCM Tools & Dies)

Precision has perfected the art of technology of making Cylinder Head for Railways. (DCM Precision)

2. BENEFITS

The unit has obtained orders from Domestic and International markets for intricate automotive casting from quality conscious and competitive market. (Engg. Products)

Tool Room is manufacturing intricate toolings for reputed automobile manufacturers. Technology provided by Messiner have been fully absorbed after been improved upon. (DCM Tools & Dies)

Product is well received by Railway. (DCM Precision)

3. In case of imported technology used : Not applicable.

STATEMENT OF PARTICULARS UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956 AND THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 FORMING PART OF THE REPORT OF THE DIRECTORS OF DCM LTD. FOR THE YEAR ENDED 31ST DECEMBER, 1997.

(A) EMPLOYEES THROUGHOUT THE YEAR UNDER REVIEW AND WHO WERE IN RECEIPT OF REMUNERATION WHICH IN THE AGGREGATE WAS NOT LESS THAN RS. 200000/-

Name	Designation and Nature of Duties	Unit/Divn.	Remuneration Received Rs.	Qualifications	Experience Yrs.	Date of Commencement of employment	Age Yrs.	Particulars of last employment
Agarwal V. Anil	Div. General Manager (Legal)	Real Estate	388953	B.Sc., LL.B., Dip. in Labour Law, Tax Law, Co. Law & Sectt. B.Com.	18	09.09.1982	42	Practitioner in Advocate, Delhi
Agarwal V.M.D.	Sr. Manager (Currents)	Engineering	313510		37	02.01.1963	57	
Agarwal Sandeep	Manager (Export)	Engineering	304657	B.E., LECC&ICWA PART I, DIPLOMAMGT. DBA,PCDMM B.Sc. (Engg.Mech)	14	09.03.1973	37	Sr. Marketing Manager, SIVCO Association
Bawa E.S.	General Manager (Planning)	Engineering	314086		35	11.03.1981	57	Director, I.I.T. Co. Ltd.
Bedi G.S.	Div. General Manager	Engineering	426128	B.Sc. & Engg. Mech	31	29.06.1962	57	PN. Coalitions
Chatterjee A.C.	Sr. Manager (Tech. & S.G.)	Engineering	318849	B.Sc.	40	28.05.1953	63	Senior Technical Officer, MCL Ltd.
Chopra R.K.	Sr. Manager (Processes & Patents)	Engineering	293835	B.E. Mech.	15	04.06.1978	47	
Davies M.	Div. General Manager (Production)	Engineering	490270	Diploma Mech.Engg.	3	3.01.1976	59	Engineer, India
Dhoke S.D.	Sr. Manager (Technology Dev.)	Engineering	608070	Dip. Mech.	2	12.11.1976	49	Senior Engineer, General Electric
Ganguly K.	Div. General Manager (Materials)	Engineering	364880	B.Sc., MBA	25	28.09.1970	50	
Gandhi R.C.	General Manager (Marketing & R.M.)	Textiles	421897	B.Sc., MBA	1	23.11.1970	41	Noida, Coimbatore
Goswami K.	Executive Director	Textiles	346997	B.Tech. DIM	25	01.09.1973	53	General Manager, ICI

Directors' Report continued

Name	Designation and Nature of Duties	Unit/ Divn.	Remuneration Received Rs.	Qualifications	Experience Yrs.	Commencement of employment	Age Yrs.	Particulars of last Employment
Gupta Sunil	Chief - Internal Audit		525059	C.A.	20	01.07.1993	43	Bennett, Coleman & Co. Ltd.
Gupta S.K.	Dy.Gen.Manager (Legal)		360983	B.A. LL.B. PG Dip.in Labour Law	22	03.06.1978	45	Practicing Advocate
Jain N.K.	Dy.Gen. Manager (Finance)	Textiles	385434	M.Com., C.S.(Inter), ICWA(Inter)	31	29.06.1990	53	DCM Toyota Ltd.
Kelkar M.Y.	Sr. Vice President (HRD)	Electronics	522239	B.Sc., MDBA	14	06.07.1992	37	Vipro Corporation
Kohli B.S.	General Manager (Fin. & Dev.)	Engineering	641499	C.A., A.C.S.	27	12.10.1978	52	Company Secretary, Punjab Tractors Ltd.
Mansharamani Kamal	Sr.Vice President	Electronics	817881	B.Tech.	23	01.11.1979	45	Bharat Electronics Ltd.
Malhotra G.L.	General Manager (Operation)	DCM Housing Finance Ltd.	654942	Graduate CAIIB	38	01.12.1994	59	SBI Home Finance Ltd.
Nambiar K.G.	Vice President (Legal) & Co. Secretary		702252	B.A.(Hons.), LL.B., F.C.S., MIMA	36	01.06.1990	59	Co.Secy & General Mgr.(Admn.) EST Mfg. Ltd.
Nayar Meenakshi Dr.(Mrs.)	Vice President (HRD & Corp.Comm.)		919503	M.A. Fellow Programme in Management	16	01.01.1985	44	Consulting Associate, National Labour Institute
Pal, Sitanshu	Manager (Mech.)	Engineering	344854	B.Sc., B.E.Mech.	22	05.06.1978	48	App.Engineer, HMT Ltd.
Roy B.B.	Dy.General Manager	Engineering	383454	Dip.in Indl.Engg. Dip.in Engg.(BOAT)	35	12.11.1980	55	TELCO
Saini J.R.	Manager (Elect.)	Engineering	316031	M.E.(Elect. Systems)	20	11.04.1989	42	Manager, Projects Steel Strips Ltd.
Sharma V.K.	President & Chief Executive	Engineering	1649579	B.Sc. Engg.Mech.	32	14.04.1976	56	Jt. Manager, Heavy Engg. Corp. Ltd.
Sharma P.C.	General Manager (Pnl. & IR)	Engineering	672055	B.A., LL.B. Dip. in Labour Law,	31	29.12.1981	52	Molins India Ltd.
Sharma S.C.	Dy.Gen. Manager (Sales)	Engineering	486107	B.E. Mech.	29	01.11.1976	53	Sr. Sales Manager Magnum Engg. Co.
Singh A.K.	Sr. Manager (MFG PLANT II)	Engineering	307925	B.Tech.Metall.	22	14.11.1977	45	Supervisor, Johnston Pumps (India) Ltd.
Singhal Ashwani (Dr.)	General Manager (F & A)		443742	FCA, Phd.	17	05.02.1993	41	Modi Rubber Ltd.
Sodhi D.S.	Sr. Manager (MFG Plant I)	Engineering	332607	B.E. Metall.	21	08.09.1976	44	
Uppal V.K.	Sr. Manager (I.L. & PPC)	Engineering	407176	B.E. Mech.	26	15.11.1976	49	Supdt., Hindustan Motors
Ziauddin	Dy. Gen. Manager (Met & QAG)	Engineering	454450	M.Tech. Metall.	29	10.09.1990	53	Professor, Ministry of Higher Edu.& Sc.Research, Bagdad

(B). EMPLOYED FOR A PART OF THE YEAR UNDER REVIEW AND WHO WERE IN RECEIPT OF REMUNERATION FOR ANY PART OF THE YEAR AT A RATE WHICH IN THE AGGREGATE WAS NOT LESS THAN RS. 25000/- PER MONTH.

Aggarwal Vinod	Sr. Manager (Engg. Services)	Real Estate	458323	B.Sc., B.E. (Civil)	27	01.03.1970	52	
Bansal B.S.	General Manager (Production)	Engineering	741171	B.Sc. (Engg.)	35	19.04.1979	60	Hindustan Mallegis & Forget
Karandikar A.S.	Sr. General Manager	Real Estate	602837	B.E. (Civil), PG Dip. in B.M.	35	01.07.1997	58	M/s. Van Engineering Service
Lakshminarayanan T.	Vice-President	Engineering	618503	B.E., DIT MS,MMS	26	12.08.1996	46	DCM Hyundai Ltd.
Niranjan Lal	Office Assistant		239125	Matric	38	06.11.1959	55	
Ramamurthy S.S.	Director Finance		687227	B.Sc., CAIIB, PGDM (Finance)	30	03.04.1997	54	Jaiprakash Industries Ltd.
Raman V	Manager (Lab. & S/C)	Engineering	340307	B.E. Metallurgy	20	25.05.1989		Manager Process Control India Cements Ltd.
Sagar Veer	President & Chief Executive	Electronics	1174571	B.Sc., M.Sc.	31	16.05.1989	53	Chief Executive (Office Sys.)
Sarin Varun	EA To CMD		312150	B.Com. C.A.	14	14.08.1989	37	S.S. Kothari & Co.
Sharma Pramod	Jr. Manager (MIS)		200785	B.Com. (Hons.) PGDM	14	12.03.1992	38	Utility Engg. India Ltd.
Singh Mohinder	Asstt. Manager(Pattern)	Engineering	32516	Matric Dip. Craftmanship	30	28.05.1974	60	Pattern Maker, TELCO
Subodh Chandra	Director-Finance		3274237	M.Com., F.C.S.	36	30.09.1961	57	Lecturer, University of Delhi.

NOTES:

1. Remuneration includes salary, bonus/ex-gratia, Company's contributions to provident fund and superannuation scheme, medical benefits, leave travel assistance, leave encashments, education allowance, house rent allowance/subsidy paid for residential accommodation and where it is not possible to ascertain the actual expenditure incurred by the Company in providing the perquisites, the monetary value of such perquisites is calculated in accordance with the Income-tax Act, 1961 and the rules made thereunder.
2. None of the employees mentioned above is a relative of any Director of the Company.
3. As per a clarification of Department of Company Affairs, the Managing Director is not an employee within the meaning of Section 217(2A) of the Companies Act, 1956.
4. Information has been furnished on the basis of employees drawing remuneration of Rs. 25000/- per month pursuant to Notification No. G.S.R. 752 (E) dated 17.10.94