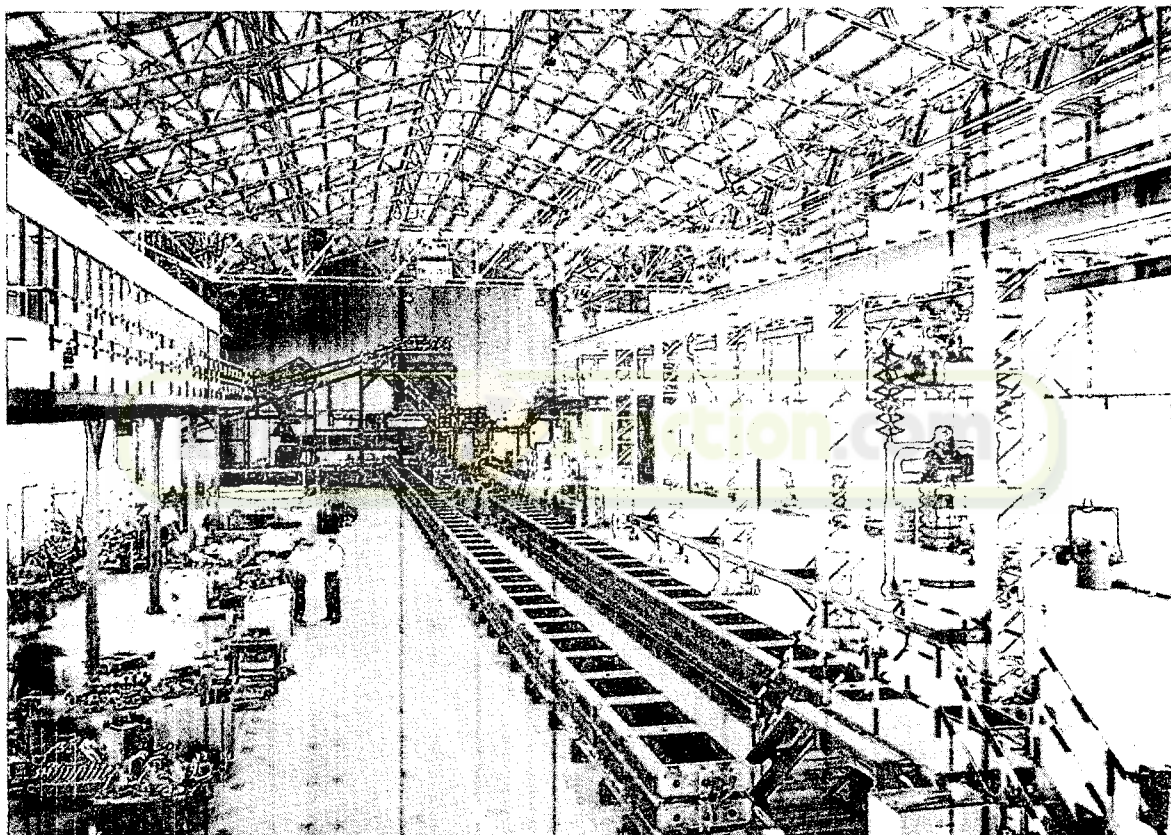


13th
ANNUAL
REPORT
1997-98

IN PURSUIT OF EXCELLENCE

DISA
GEORG FISCHER +GF+

www.reportjunction.com



Moulding Plant Installation jointly done by us with our group company in Switzerland at DGP Hinoday Industries Limited, Pune.

GEORG FISCHER DISA LIMITED**BOARD OF DIRECTORS**

V.A. DATAR
 E. HOHENER
 B.P. VAIDYA
 F.A.A. JASDANWALLA
 V.M. BHAT
 N.P. PETERSEN
 B.A. COUTINHO
 VILAS KARNIK

Chairman.

KSIIDC Nominee
 Managing Director

COMPANY SECRETARY

M.M. BASHA

BANKERS

CANARA BANK
 DEUTSCHE BANK
 ICICI BANKING CORP. LTD.

REGISTRARS

Alpha Systems Pvt. Ltd.,
 30/1, III Floor,
 Leeman's Complex,
 Cunningham Road,
 Bangalore - 560 052.

REGISTERED OFFICE

Basappa Complex,
 40/1A, Lavelle Road,
 Bangalore - 560 001.

AUDITORS

Dandekar Associates,
 Chennai.

SOLICITORS

Mr. G. Chander Kumar,
 Bangalore.

WORKS

Foundry Machinery Division,
 28-32, Satyamangala Indl. Area,
 Tumkur - 572 104.

INTERNAL AUDITORS

Fraser & Ross
 Bangalore.

Control Equipment Division
 50, KIADB Industrial Area,
 Hoskote - 562 114.

NOTICE

Notice is hereby given that the Thirteenth Annual General Meeting of GEORG FISCHER DISA LIMITED, will be held at 10.30 a.m. on Thursday, the 3rd September '98 at Hotel Rama, Lavelle Road, BANGALORE -560 001, to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31.03.98 and the Profit & Loss Account for the year ended on that date, together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare a Dividend.
3. To elect a Director in place of Mr.FAA Jasdanwalla who retires by rotation and being eligible, offers himself for re-election.
4. To elect a Director in place of Mr.V.M.Bhat who retires by rotation and being eligible, offers himself for re-election.
5. To appoint Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. The retiring Auditors, Messrs. Dandeker Associates, Chartered Accountants, Chennai, have offered their services and are eligible for re-appointment.

SPECIAL BUSINESS :

6. To consider and if thought fit, to pass with or without modification(s), the following as ordinary resolution :-
"RESOLVED THAT Mr. Emanuel Hohener who was appointed as an Additional Director by the Board of Directors on 19.06.98 and who holds office upto the date of this meeting be and is hereby appointed as Director of the Company".
7. To consider and if thought fit, to pass with or without

modification(s), the following as ordinary resolution :-

"RESOLVED THAT pursuant to the provisions of Sections, 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, approval of the Company be and is hereby accorded to the appointment of Mr.Vilas Karnik as Vice Chairman and Managing Director of the Company for a period of 5 (five) years with effect from 1st October 1998 subject to the terms and conditions within the ceilings as specified in Schedule XIII of the Companies Act, 1956, as may be in force from time to time and that the appointee shall not be liable to retire by rotation during the tenure of his Office as above".

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to enter into a new agreement with Mr.Vilas Karnik as per the above mentioned terms".

8. To consider and if thought fit, to pass with or without modification(s), the following as special resolution :-

"RESOLVED THAT pursuant to the provisions of Section 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 and Article 129(2)(ii) of the Articles of Association, the company do hereby approve the payment to the non whole-time Directors of the Company, a commission to be divided in such proportion as the Directors may think fit at a rate not exceeding 1% of the net profits of the Company (or such other limits as may be prescribed by the concerned authorities of Government of India) to be computed in the manner laid down in Section 198 of the Companies Act, 1956, commencing from the financial year 1997-98".

9. To consider and if thought fit, to pass with or without modification(s), the following as special resolution :-

"RESOLVED THAT pursuant to section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of

Association of the Company be and are hereby amended as follows :

(a) In Article 2, the para commencing from 'DEG means or amalgamate', the para commencing from 'VLL means..... or amalgamate' and para commencing from 'BMD means or amalgamate' be deleted.

The following lines be incorporated at the end of article 2.

" 'GFDH' means Georg Fischer Disa Holding AG, Switzerland and shall include its subsidiaries, successors, assigns and any body corporate with which it may merge or amalgamate".

(b) Existing Article 123(b) be deleted and substituted to read as below:

"So long as GFDH holds in aggregate not less than 51% of the paid up Equity Capital of the company, they shall be entitled to nominate such number of Directors which gives a simple majority in the Board of Directors of the company. GFDH shall be entitled to remove Directors nominated by them and to fill any vacancy which may occur as a result of any such person ceasing to be a director for any reason whatsoever. Such appointment and removal shall be effected by a writing addressed to the Board of Directors under the hand of person duly authorised by the GFDH and the same shall take effect forthwith upon being delivered to the company. In the event that the aggregate shareholding of GFDH and their associates falls below the stipulated percentage of 51% as above, the composition of the Board of Directors of the Company will be determined by the Members. If required, one or more nominees of GFDH shall be deemed to have vacated their office to comply with the revised arrangement".

(c) In Article 123(c), the '11%' be deleted and substituted by '5%'.

(d) The Article 123(d) be deleted.

(e) Article 153 be deleted and amended to read as follows :

"The quorum at meeting of the directors shall be as prescribed by section 287 of the Act".

NOTES

1. An explanatory statement pursuant to Section 173 of the Companies Act, 1956, pertaining to special business contained in the Notice 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 instead of himself/herself and such a proxy need not be a member. Proxies, in order to be effective, must be received by the Company not less than fortyeight hours before the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 21.08.98 to 03.09.98, both days inclusive.
4. Dividend, if declared, will be payable to those Members whose names appear on the Register of Members as on date of this AGM. The unclaimed dividend relating to the year 1993-94 was transferred to General Revenue Account of Central Government.
5. Members are requested to communicate the changes, if any, in their addresses to the Company's Registrar and Share Transfer Agents, M/s. Alpha Systems Pvt. Ltd., 30/1, Leeman's Complex, Cunningham Road, BANGALORE-560 052.

By Order of the Board

Place : Bangalore
Date : 14.07.98

M.M.BASHA
Company Secretary

EXPLANATORY STATEMENT

Item 6 :

Your Board of Directors at their Meeting held on 19.06.98 appointed Mr. Emanuel Hohener of GEORG FISCHER DISA HOLDINGAG, Switzerland, as Additional Director of the Company. Mr. Emanuel Hohener's induction into the Board will be of immense benefit to the Company in view of his rich experience and knowledge.

The Board therefore recommends his appointment as Director at this AGM. His term as Additional Director will expire on the date of AGM and notice has been received from a member proposing his candidature under section 257 of the Companies Act, 1956. The appointee will be liable to retire by rotation.

Except Mr.E.Hohener and Mr.N.P.Petersen, no other Director is interested/concerned in the resolution.

Item 7 : Mr Vilas Karnik was appointed as the Managing Director of the Company for a period of five years with w.e.f. 01.10.93 on the terms and remuneration as approved by the Shareholders of the Company. Mr.Vilas Karnik holds office as Managing Director till 30.09.98. The Directors of the Company at their meeting held on 19.06.98, decided to appoint, subject to the approval of Shareholders and other applicable approvals, if any, Mr. Vilas Karnik as Vice Chairman and Managing Director of the company for a period of five years w.e.f. 01.10.98.

Considering the fact that Mr.Vilas Karnik has ably led the Company to the present state, the Board of Directors recommend that Mr.Vilas Karnik be appointed as Vice Chairman and Managing Director for a period of 5 years with effect from 01.10.98 as specified in the resolution. It is proposed that the Board be authorised to negotiate and approve terms of appointment and remuneration, corresponding to the provisions of Companies Act as may be in force hereafter.

The abstract of the remuneration and other terms of his appointment is as under:

1. Designation:

Vice Chairman and Managing Director.

2. Salary:

Rs. 60,000/- per month.

Annual increment at the discretion of the Board of Directors.

3. Performance linked bonus :

Will be paid every year subject to evaluation by and at the discretion of the Board of Directors.

4. Perquisites:

Mr. Karnik will be entitled to perquisites listed below:

Remuneration inclusive of perquisites and Performance linked bonus would be within the overall ceilings of the provisions prescribed under schedule XIII of the Companies Act, 1956 as amended from time to time.

4.1 Category A:**a) House rent allowance:**

House Rent Allowance of Rs. 36,000/-per month. Expenditure on gas, electricity, water, soft furnishings for his house will be reimbursed to him by the Company.

b) Medical Expenses:

Incurred for self and family will be borne by the Company subject to applicable ceilings.

c) Leave and Leave Travel:

Eligible for one month leave for every eleven months served. Expenses for travel anywhere in India on leave for Vice Chairman and Managing Director and his family, subject to a ceiling of one month's salary as per applicable rules of the Company.

d) Club Fees:

Monthly subscription fees of his clubs will be reimbursed but not admission / life membership fees.

e) Insurance:

Accident cover and mediclaim / hospitalisation insurance policy will be taken for self and wife, the annual premium for which will be decided by the Board of Directors.

f) Any increase in the quantum of above perquisites subject to