

datar

ANNUAL REPORT 1999-2000

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datar switchgear limited

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Don't Use Electricity. Without Us.

BOARD OF DIRECTORS

K. R. GHASAS

(Executive Director)

SHOBHANA DATAR

KAMLESH MORARJI

M. G. VARADE

M. V. SHAH

ANIL SUPANEKAR

Nominee (IFCI)

S. RAMALINGAM

Nominee (IIBI)

RAJAN DATAR

(Chairman & Managing Director)

COMPANY SECRETARY

H. J. MALESARIA

BANKERS

CORPORATION BANK, MUMBAI

BANK OF MAHARASHTRA, AMBAD, NASIK.

AUDITORS

M/S S. J. MENE & COMPANY

Chartered Accountant

REGISTRARS & SHARE TRANSFER AGENTS

DYNAMIC SUPERWAYS & EXPORTS LTD.

Rainbow Palace, I. C. Colony, Cross Road No. 5,

Borivali (W), Mumbai : 400103.

REGISTERED OFFICE

Datar Apartments, Commercial Complex,

Vakilwadi, Nasik : 422001.

CORPORATE OFFICE

F-8, D Road, M.I.D.C. Ambad, Nasik : 422010.

FACTORY

H-108, M.I.D.C. Ambad, Nasik : 422010.

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NOTICE :

NOTICE IS HEREBY GIVEN THAT THE SIXTEENTH ANNUAL GENERAL MEETING OF DATAR SWITCHGEAR LIMITED, will be held at Hotel Green View, Trimbak Road, Nasik 422005 on Saturday, 30th December, 2000 at 3.00 p.m. to transact the following business :

A. ORDINARY BUSINESS

1. To receive and adopt the Director's Report and Audited Profit and Loss Account for the financial year ended 31st March, 2000 and the Balance Sheet at that date.
2. To Appoint a Director in place of Mr. Kamlesh Morariji, who retires by rotation and being eligible offers himself for re-appointment.
3. To Appoint a Director in place of Mr. M.G. Varade, who retires by rotation and being eligible offers himself for re-appointment.
4. To Appoint Auditors and to fix their remuneration.

Notes :

- A) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- B) The Register of Members and Transfer Books of the Company will be closed from 19th December to 30th December 2000, both days inclusive.
- C) Members desiring any information on Accounts are requested to write to the Company at least a week before the meeting so as to enable the management to keep the information ready. Replies will be provided only at the meeting.
- D) Members / Proxies should bring the attendance slips sent herewith, duly filled in, for attending the meeting.
- E) As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the meeting.

Registered Office
Datar Apartments, Commercial Complex,
Vakilwadi, Nasik : 422001
Nasik, 29th November, 2000

By order of the Board of Directors
for DATAR SWITCHGEAR LIMITED

Rajan Datar
Chairman and Managing Director

DIRECTORS REPORT**Summary of Financial Results –**

| | Previous Year Ended 31.03.1999 | (Rs. in lacs) Current Year Ended 31.03.2000 |
|-----------------------------|-----------------------------------|---|
| Total income | 3569.22 | 1543.20 |
| Total Expenditure | 2253.79 | 1564.05 |
| Interest | 253.48 | 3109.40 |
| Gross Profit after Interest | | |
| But before Depreciation | 1061.95 | (3130.25) |
| Depreciation | 1466.17 | 1264.45 |
| Provision For Taxation | Nil | Nil |
| Net Profit/(Loss) | (404.22) | (4394.70) |

Your Company was awarded a major contract from Maharashtra State Electricity Board for manufacture, installation and commissioning of L.T.Load Management System on 27th March, 1997. The same was partly executed by the company upto December 1998.

The contract is now in dispute and company has invoked Arbitration Clause. The company has been advised that, it has a STRONG CASE on Merits and in Law.

Due to the above circumstances, company's Cash Flow planning collapsed and has affected payments of interest and principle to Financial Institutions, Banks and other Financers and also loss of substantial business opportunities.

The Directors of the company have abstained from claiming any Salary or Bonus or Dividend due to this reason during the financial year as a token of their commitment.

DIVIDEND-

No Dividend is recommended in view of losses suffered by the Company during the financial year.

INCOME-TAX PROVISION-

In view of losses during the financial year, Company has not made any provision for Income Tax.

HUMAN RELATIONS IN THE COMPANY-

The Company sincerely acknowledges the outstanding contribution from all its members. Various schemes of mutual benefit have been initiated and implemented during the year.

DIRECTORS-

- (A) Mr. Kamlesh Morarji and Mr. M.G.Varade retire by rotation and being eligible offer themselves for re-appointment.
- (B) Mr. S.Ramlingam is appointed as Nominee Director of Industrial Investment Bank of India in place of Mr. D.P.Chakraborty w.e.f. 24th November 2000 by the said Financial Institution.

QUALIFICATIONS IN AUDITORS REPORT

1. Now the LTLMS Project is no more under implementation the amount of Rs. 24.98 Crores, on account of interest paid, has been debited to Profit and Loss Account and unpaid lease rent and hire purchase rent of Rs.21.66 Crores has been Capitalised.
2. Since the matter is subjudice, the accumulated Capitalised balance of Rs.123.71 Crores has not been considered while preparing current year's Profit and Loss Account

REPORT UNDER SECTION 217 (2A)

Particulars of employees as required under section 217 (2A) of the Companies Act,1956 read with the Companies (Particulars of Employees) Rules,1975 are annexed.

REPORT UNDER SECTION 217 (1) (e)

Information pursuant to Section 217 (1) (e) of the Companies Act ,1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, is given in the annexure to the report.

AUDITORS

The Auditors, M/s.S.J.Mene & Co. Retire at the conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment.

APPRECIATION

Your Directors wish to place on record their appreciation for the valuable co-operation received by the Company from its Bankers and Financial Institutions.

On Behalf of the Board of Directors

RAJAN DATAR
Chairman and Managing Director

Registered Office :
Datar Apartments,Commercial Complex,
Vakilwadi, Nasik – 422 001
Nashik : 29th November 2000

ANNEXTURE 'A' TO DIRECTORS' REPORT

Additional information as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rule, 1988.

A. Conservation of Energy :

The Company is not an energy intensive unit and therefore the costs of energy do not form a substantial part of the manufacturing costs. Every care is taken to avoid the wastage of electricity.

B. Technology Absorption :**1) Research and Development**

(a) Development of Amorphous Magnetic Materials.

(b) Optimization of Plastic Parameters.

2) Benefits derived as a result of this R & D --

(a) Cost Savings

(b) Lesser toxic waste

(c) Higher reliability of products

3) Future Plans

The focus for the next year is on utilization of existing technologies and expansion of the product range.

4) Expenditure on R & D

The expenditure on R & D during the financial year 1999-2000 was Rs.1,17,530/-

Technology absorption, adaptation and innovation :

In brief, the efforts made towards technology absorption, adaptation and innovation have been :

(a) Improvement in product design

(b) Improvement in processes

(c) Introduction of advanced quality monitoring schemes

C. Foreign Exchange Earning & Outgo :

Total Foreign Exchange Earnings - Rs.44.77 lacs

Total Foreign Exchange Outgo - Rs.85.10 lacs

Raw Material Import - Rs.85.10 lacs

Machinery Import - NIL

Annexure 'B' to Directors' Report

Statement under Sub-section (2A) of Section 217 of Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975

| Name | Designation | Qualification | Exp.in Years | Date of Commencement | Age in years | Gross remuneration (Rs) | Last employment held |
|---------------|------------------------------------|---------------|-----------------|-------------------------|-----------------|-------------------------------|---|
| R. B. Datar | Chairman & Managing Director | B.Sc.(Hons) | 14 | July 1984 | 40 | Nil | ----- |
| K. R. Ghaisas | Executive Director | B.E.(Civil) | 33 | April 1988 | 62 | Nil | M/s.Uttam Singh Duggal & Co.Pvt.Ltd. Delhi |

Notes :

1. Nature of employment is contractual for all employees. Other terms and conditions are as per Company's rules.
2. Gross remuneration comprises Salary, HRA and Provident Fund.

On Behalf of the Board of Directors

Rajan Datar

Chairman and Managing Director

Nashik : 29th November, 2000