

Certified True Copy

ETP CORPORATION LIMITED

12 Th
ANNUAL REPORT
1996-97

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**ETP
CORPORATION LIMITED**

BOARD OF DIRECTORS :

Mr. G.N. Gupta (Chairman)
Mr. Sanjeev Agarwal (Managing Director)
Mr. M. D. Dalal
Mr. S. K. Jajodia
Mr. N.R. Agarwal
Mr. Naville Charna
Mr. Narendra Kapoor

BANKERS:

State Bank of India
Sangli Bank Ltd

AUDITORS:

Saluja & Associates
Chartered Accountants

SOLICITORS & LEGAL ADVISORS:

Kanga & Co.
Mumbai

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REGISTERED OFFICE & FACTORY :

Thooma Tea Industries
Kotagiri (The Nilgiris)
Tamil Nadu - 643217

SHARE TRANSFER DEPARTMENT :

Albatross Share Registry (P) Ltd
G-35 Gokul Dham Shopping Centre,
Goregaon (East)
Mumbai - 400 063

**ETP CORPORATION LIMITED****NOTICE**

NOTICE is hereby given that the 12th Annual General meeting of ETP Corporation limited will be held on 23rd March, 1998 at 10.00 a.m. to transact the following business at the Registered office of the Company at Thooma Tea Industries, San-Tre-Moo, Kotagiri, The Nilgiris, Tamil Nadu to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 30th day of September 1997 and Profit & Loss Account for the year ended on that date together with the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. M.D. Dalal who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. S.K. Jajodia who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of the ensuing annual general meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

NOTES :

1. 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 OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT REGISTERED OFFICE OF THE COMPANY BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from 22nd June 1998 to 27th June 1998 (both days inclusive)
3. Member / Proxy holders must bring the Attendance slip to the Meeting and hand it over at the entrance duly signed.
4. Members are requested to quote their Registered Folio Number in all correspondence with the Company and notify the Company immediately of change, if any, in their Address and / or their mandate.
5. PLEASE BRING YOUR COPY OF THE ANNUAL REPORT AT THE MEETING.

By order of the Board
SANJEEV AGARWAL
 Managing Director

Dated : 25th February, 1998
 Regd. Office :
 C/o Thooma Tea Industries,
 San-Tre-Moo, Kotagiri
 The Nilgiris Tamil Nadu - 643217

ETP CORPORATION LIMITED



REPORT OF DIRECTORS TO MEMBERS

Your directors present their 12th Annual Report together with the Audited statement of Account for the Year ended 30th September, 1997

Financial Result :

	Current year ended <u>30.09.1997</u>	Previous period ended <u>30.09.1996</u>
Profit (Loss) before Depreciation and Taxation	(105,929,696.95)	(24,028,625.00)
Less : Depreciation	<u>15,36,756.00</u>	<u>147500.00</u>
Loss before Tax	(107,466,452.95)	(25,503,125.00)
Less: Provision for Taxation	-	-
Net Loss	<u>(107,466,452.95)</u>	<u>(25,503,125.00)</u>
Add : Surplus Brought Forward from previous year	<u>108,641,732.16</u>	<u>134,144,857.16</u>
Balance Carried Forward	<u>1,175,297.21</u>	<u>108,641,732.16</u>

Performance

The Company's performance suffered a severe jolt in the year account of the prologed sluggishness in the stock, money, capital markets and financial sectors. The severe cash crunch and erosion in assest value are the dominant factors.

As the members are aware, the political instability and the economic and industrial recession and the failure of a few NBFCs to meet the demands of the depositors which accepted public deposits, were responsible for the sluggish nature of the primary and secondary markets. Your directors add that your Company did not take any deposit or loan from the public or banks or institutions. The market was quite dull land bearish, particularly when the principal activity of the Company was that of dealer in shares for the year under review. The decline in the share prices was an universal phenomenon and your Company's holding were no exception to this and the loss can be attributed to the perceptible fall in the share prices.

After the decline and fall of the United Front Govt. in Dec. 1997 the elections were announced and at the time of this report, two phases of elections were already over. The future of the Country depends upon the people's verdict. If a stable Govt. with progressive policies is installed at the centre, the members can reap the benefits.

Your Company however looks forward to the future with growing optimism and quite confident that, when the Central Govt. is formed, after the election by middle of March, 1998, the Govt. would take appropriate steps to strengthen the economic and financial policies of our country.

Dividend

The policy of rewarding the members through capital appreciation is followed by prudent business and industrial community in our country and also internationally. Your Board also endorses this practice most favourably and has therefore not proposed to recommend any dividend. The book value of the share is Rs. 67.45 and the intrinsic worth is much more.

Share Buy Back Programme

Several international research studies have demonstrated that consistent programme of buy back of shares results in augmenting the wealth of the members. Your Company is contemplating to implement a programme that is consistent with financial prudence, investment options in asset building and inspiration of the members. Our members and also the equity research analysis have drawn to your Company's attention that the stock market has undervalued the shares of your Company and the shares represent one of the more profitable investment avenues. A buy back programme, your directors believe will go a long way in unlocking this value for our members. The new Company's Bill which is yet to become law, would enable your directors to examine this option to enhance the value of the members.

Operations

As already reported in the last year as a matter of strategic shift in the business activities in modern times, when the entire business enviornment of our country is going through a rapid change in the positive direction, those companies which consolidate themselves would survive. Your Company, as stated earlier, is contemplating in the areas of merchant export as well as investment banking and through such investment banking, your Company would offer value added service to its clients in the sphere of capital markets, real estate, commodities, foreign exchanges etc. Your Company's future prospects to a great extent depend upon the stability of the Govt. to be formed at the centre after elections.

Directorate

Mr. M.D. Dalal & Mr. S.K. Jajodia retire by rotation at the ensuing Annual General Meeting of the members of the Company and being eligible, offer themselves for re-appointment.

Deposits

Your Company has not accepted any deposit as contemplated by the provisions of section 58A of the Companies Act, 1956.



ETP CORPORATION LIMITED

Auditors

The Auditors M/s Saluja & Associates, Chartered Accountants, Mumbai, retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Particulars of Employees

None of the Employees received remuneration during the period in excess of limit as set out under section 217 (2A) of the Companies Act, 1956.

Conservation of Energy, Technology Absorption, Foreign Exchange, Earning and Outgo

A statement giving details of conservation of energy,

technology absorption foreign exchange earning and outgo in accordance with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is annexed which forms part of this report.

Conclusion

The Directors hereby wish to place on record their appreciation of the efficient and loyal services rendered by all staff and workmen of the Company for their whole hearted efforts.

On behalf of the Board of Directors.

Sanjeev Agarwal
(Managing Director)

S.K. Jajodia
(Director)

Mumbai : 25th February, 1998

ANNEXURE TO THE DIRECTOR'S REPORT

STATEMENT CONTAINING PARTICULARS PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTOR'S REPORT.

A. CONSERVATION OF ENERGY

The Company regularly gets all the machinery overhauled, renovated or replaced as the case may be so as to conserve the energy in the most efficient way.

REQUISITE DATA IN RESPECT OF ENERGY CONSUMPTION ARE GIVEN BELOW :

A. POWER AND FUEL CONSUMPTION	30.09.1997	30.09.1996
1. Electricity Purchased :		
Units	Nil	Nil
Total Amount (Rs)	Nil	Nil
Rate/Unit (Rs)	Nil	Nil
2. Consumption per unit of production :		
Tea (Kgs)	Nil	Nil
Electricity (Units/Kg. of Tea)	Nil	Nil

3. RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

NIL

4. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has not earned any Foreign Exchange and there is no Expenditure in Foreign Currency.

Sanjeev Agarwal
(Managing Director)

S.K. Jajodia
(Director)

Mumbai : 25th February, 1998.