



HINDUSTAN DORR-OLIVER LIMITED

ANNUAL REPORT 1997-98

MD	✓		BKC	✓
CS	✓		DPY	✓
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		✓

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- PROCESS ENGINEERING SOLUTIONS
- PHOSPHATIC FERTILIZER PLANTS
- ENVIRONMENTAL PROJECTS



MEMBER JUMBO GROUP

BOARD OF DIRECTORS:

M. R. CHHABRIA
Chairman

G. K. APTE
Managing Director
(Till 12.03.98)

S. T. ATTARI
Executive Director
(w.e.f. 12.03.98)

Y. C. LUMBA
Executive Director
(w.e.f. 12.03.98)

J. R. GAGRAT

T. S. SHETTIGAR

M. L. BHAKTA
(Till 12.03.98)

B. S. MEHTA
(Alternate to M. R. Chhabria)

KOMAL CHHABRIA WAZIR

COMPANY SECRETARY:
ANITA GOKHALE

Auditors:
S. R. Batliboi & Co.

Solicitors and Advocates:
Kanga & Co.
Gagrath & Co.

Bankers:

Canara Bank

Bank of Baroda

Syndicate Bank

The United Western Bank Ltd.

Registered Office:

'DORR-OLIVER HOUSE'
CHAKALA, ANDHERI (EAST),
MUMBAI 400 099.

Registrars & Share Transfer Agents:
Computronics Financial Services (India) Ltd.

1, Mittal Chambers,
Nariman Point,
Mumbai 400 021.

SENIOR EXECUTIVES:

T. S. SASTRI
Sr. Vice President — Finance & Corporate Services

R. K. BIJLANI
V. P. — Marketing

N. K. DOSHI
V. P. — Projects

N. D. SHAH
V. P. — Engineering and Design

R. K. SHANBHAG
V. P. — Purchase

M. C. WADHWANI
V. P. — Operations

NOTICE is hereby given that the Twenty-third Annual General Meeting of the Members of Hindustan Dorr-Oliver Limited will be held at Patkar Hall, S.N.D.T. Women's University, 1 Nathibai Thackersey Road, Mumbai 400 020 on Tuesday, 22nd September, 1998 at 11.00 A.M. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March, 1998 and the Balance Sheet as at that date and the reports of the Board of Directors and Auditors thereon.
2. To declare a dividend for the year ended 31st March, 1998.
3. To appoint a Director in place of Mr. T. S. Shettigar, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT Mr. S. T. Attari who was appointed as an Additional Director of the Company on 12th March, 1998 pursuant to Section 260 of the Companies Act, 1956 and in accordance with Article 147 of the Articles of Association of the Company and who in terms of Section 260 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting and in respect of whom the Company has received notice from a member under Section 257 of the Companies Act, 1956 signifying his intention to propose him as a candidate for the office of Director, be and is hereby appointed a Director subject to Section 255 of the Companies Act, 1956 and Article 158 of the Articles of Association of the Company."

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and 310 read together with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the appointment of Mr. S. T. Attari as an Executive Director of the Company for a period of 3 years, with effect from 12th March, 1998 on the terms and conditions as stated in the Explanatory Statement annexed to this Notice.

RESOLVED FURTHER that in the event of loss or absence or inadequacy of profits in any financial year of the Company during Mr. Attari's term of office as an Executive Director, the remuneration payable to him shall be subject to Section II of Part II of Schedule XIII to the Companies Act, 1956 or any amendments thereto.

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to alter and vary the terms and conditions of the said appointment, so as not to exceed the maximum limits for payment of managerial remuneration specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto, as may be agreed to between the Board of Directors and Mr. Attari."

7. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION :

"RESOLVED THAT Mr. Y. C. Lumba who was appointed as an Additional Director of the Company on 12th March, 1998 pursuant to Section 260 of the Companies Act, 1956 and in accordance with Article 147 of the Articles of Association of the Company and who in terms of Section 260 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting and in respect of whom the Company has received notice from a member under Section 257 of the Companies Act, 1956 signifying his intention to propose him as a candidate for the office of Director, be and is hereby appointed a Director subject to Section 255 of the Companies Act, 1956 and Article 158 of the Articles of Association of the Company."

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and 310 read together with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the appointment of Mr. Y. C. Lumba as an Executive Director of the Company for a period upto 20th September, 1999, with effect from 12th March, 1998 on the terms and conditions as stated in the Explanatory Statement annexed to this Notice and that the Board of Directors be and is hereby authorised to alter and vary the terms and conditions of the said appointment."

By Order of the Board of Directors
ANITA GOKHALE
 Company Secretary

Registered Office :
 'Dorr-Oliver House',
 Chakala, Andheri (East),
 Mumbai - 400 099.
 Mumbai, 29th June, 1998.

**NOTES :**

1. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 16th September, 1998 to Tuesday, 22nd September, 1998 (both days inclusive).
2. Members are requested to notify to the Company any change in their addresses specifying full address in block letters with pin code of the post office.
3. Members are requested to bring their copy of the Annual Report with them to the Meeting as extra copies will not be supplied.
4. Only registered members carrying the attendance slips and the holders of valid proxies registered with the Company will be permitted to attend the Meeting.
5. The amount of unclaimed dividend for the financial year ended 31st March, 1995 will be transferred to the General Revenue Account of the Central Government in terms of

the provisions of Sections 205A of the Companies Act, 1956 on or around 4th November, 1998. Members who have so far not claimed their dividends for the aforesaid financial year are requested to send their warrants for revalidation well in time as any claim thereafter can only be preferred by submitting an application to the Registrar of Companies, Mumbai. Members who have not encashed the dividend warrants so far for any subsequent financial years are also requested to make their claims to the Company immediately.

6. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN HIS STEAD AND A PROXY NEED NOT BE A MEMBER.
7. The dividend on equity shares as recommended by the Directors for the year ended 31st March, 1998, if declared at the Meeting, will be made payable to those members whose names stand on the Register of Members of the Company on Tuesday, 22nd September, 1998.

EXPLANATORY STATEMENT :
(Pursuant to Section 173 of the Companies Act, 1956)
Item Nos. 5 & 6 :

The Board of Directors of the Company at its meeting held on 12th March, 1998, appointed Mr. S. T. Attari and Mr. Y. C. Lumba as Additional Directors on the Board. Pursuant to Section 260 of the Companies Act, 1956 read with Article 147 of the Articles of Association of the Company, Mr. S. T. Attari and Mr. Y. C. Lumba hold office only upto this Annual General Meeting. Notices in writing have been received from a member under Section 257 of the Companies Act, 1956 alongwith prescribed deposit signifying his intention to propose Mr. S. T. Attari and Mr. Y. C. Lumba as candidates for appointment as Directors.

At the aforesaid meeting of the Board of Directors held on 12th March, 1998, Mr. S. T. Attari was appointed an Executive Director of the Company for a period of 3 years from 12th March, 1998 on the following terms :

- (a) Salary :
Consolidated salary of Rs. 40,000/- per month.
House Rent Allowance @ 60% of salary per month.
- (b) Commission :
@ 1% of the profits per annum limited to 50% of annual salary (i.e. maximum of Rs. 2,40,000/- per annum).

(c) Perquisites :

- 1) Medical reimbursement at actuals.
- 2) Servant Allowance at Rs. 2,000/- per month.
- 3) Leave Travel Allowance Rs. 50,000/- per annum.
- 4) Gas and Electricity at residence at actuals.

Above perquisites are subject to a ceiling of Rs. 4,80,000/- per annum.

- (d) Provident Fund, Superannuation and Gratuity benefits as per Company Rules.
- (e) Car for use on Company's business (with company-paid driver OR driver's salary of Rs. 5000/- p.m. in lieu thereof) and telephone and other communication facilities at residence and encashment of earned leave at the end of the tenure shall not be considered as perquisites.
- (f) In the event of loss or inadequacy of profits in any financial year, the remuneration will be subject to Section II of Part II of Schedule XIII to the Companies Act, 1956 or any amendments thereto.
- (g) Subject to section 255 of the Companies Act, 1956 and Article 158 of the Articles of Association of the Company, Mr. S. T. Attari will not be liable to retire by rotation.



Mr. S. T. Attari is a Mechanical Engineer and is associated with the Company for more than 33 years and has been a witness of the Company's prosperity over all these years. He has contributed to it to a great extent.

Appointment of Mr. S. T. Attari and remuneration payable to him by the Company are subject to the approval of the Shareholders of the Company under Sections 269, 309 and 310 of the Companies Act, 1956.

The Directors feel that it would be in the best interest of the Company to appoint Mr. S. T. Attari as Executive Director in view of his extensive experience and technical expertise.

The Board recommends the resolutions at Item Nos. 5 & 6 for approval by the members.

None of the Directors of the Company, except Mr. S. T. Attari, is concerned or interested in these resolutions.

This explanation together with the accompanying notice is and should be treated as an abstract under Section 302 of the Companies Act, 1956 in respect of the appointment of Mr. S. T. Attari and his remuneration.

Item Nos. 7 & 8 :

At the aforesaid meeting held on 12th March, 1998, Mr. Y. C. Lumba also was appointed an Executive Director of the Company for a period from 12th March, 1998 to 20th September, 1999.

Mr. Y. C. Lumba is an Electrical Engineer with M.Tech. in Power Plants and has more than 35 years of experience of working at senior levels. Presently he is also an Executive Director of Mather & Platt (India) Ltd. from where he is drawing remuneration. Under the provisions of Schedule XIII to the Companies Act, 1956 a person who is a managerial person in more than one companies shall be able to draw remuneration from one or more companies provided that the total remuneration drawn from the company or companies

does not exceed the higher maximum limit permissible from any one of the companies of which he is a managerial person and therefore no remuneration is proposed and payable to Mr. Y. C. Lumba. Subject to Section 255 of the Companies Act, 1956 and Article 158 of the Articles of Association of the Company, Mr. Y. C. Lumba will not be liable to retire by rotation.

Appointment of Mr. Y. C. Lumba and terms and conditions of his appointment are subject to the approval of the Shareholders of the Company under Sections 269, 309 and 310 of the Companies Act, 1956.

The Directors feel that it would be in the best interest of the Company to appoint Mr. Y. C. Lumba as Executive Director in view of his extensive experience and technical expertise.

The Board recommends the resolutions at Item Nos. 7 & 8 for approval by the members.

None of the Directors of the Company, except Mr. Y. C. Lumba, is concerned or interested in these resolutions.

This explanation together with the accompanying notice is and should be treated as an abstract under Section 302 of the Companies Act, 1956 in respect of the appointment of Mr. Y. C. Lumba and his remuneration.

By Order of the Board of Directors
ANITA GOKHALE
Company Secretary

Registered Office :
'Dorr-Oliver House',
Chakala, Andheri (East),
Mumbai - 400 099.

Mumbai, 29th June, 1998.

ANNEXURE II-DIRECTORS' REPORT

Information as per Section 217(2A) read with the Companies (Particulars of Employees) Rules, 1975 and forming part of Directors' Report for the period 1st April, 1997 to 31st March, 1998.

Name	Age	Qualification	Expe- rience (Years)	Date of Joining	Designation & Nature of Duties	Last Employment Held	Remuneration Received Gross Rs.
Mr Apte G K	53	B.E. (Mechanical), Post Graduate Dip. in Business Admn. & Mgmt.	30	11/02/94	Managing Director	Larsen & Toubro Ltd.	1133977
Mr Attari S T	60	B.Sc.(B'Bay), B.Sc. (Engg.) (London), A.M.I.M.E. (London)	37	01/04/77	Executive Director	Dorr-Oliver (India) Ltd.	806535
Mr Bijlani R K	48	B.E.(Mech), D.S.M. Information & Systems Management	25	08/01/94	Vice President Environmental Engg. Division	Self Employed	314219
Mr Doshi N K	58	M.S. (Mech) U.S.A.	36	01/04/77	Vice President Projects & Systems Division	Dorr-Oliver (India) Ltd.	335812
Mr Gupta A K	46	M.Tech. (Chemical Engg.)	21	01/09/77	General Manager Project & System Division	—	329185
Mr Joshi N S	50	B.E. (Mechanical)	28	01/04/96	General Manager Technical	Serv-U-Engineers	330264
Mr Rahul B M	62	B.Sc., M.A. (Public Admn.) A.N.S.I., Dip. in Co. Law, Post Grad. Dip. B & I Mgmt.	38	01/04/77	Sr. Vice President Corporate Planning	Dorr-Oliver (India) Ltd.	399532
Mr Sastri T S	47	B.Sc., A.C.A.	24	23/05/94	Sr. Vice President Finance & Corporate Services	Nagarjuna Fertilizers & Chemicals Ltd.	507305
Mr Shah N D	59	M.E. (Mech), M.I.E. (I), D.M.S., B'Bay MINA (India)	34	01/04/77	Vice President Projects & Systems Division	Dorr-Oliver (India) Ltd.	321824
Mr Shanbhag R K	61	B.E., M.I.E.C. Engr.	38	01/04/77	Vice President Central Materials Control	Dorr-Oliver (India) Ltd.	385548
Mr Wadhvani M C	58	Dip. in Mechanical Engg.	35	01/04/77	Vice President Process Equipment Division— Customer Services	Dorr-Oliver (India) Ltd.	353875
Employed part of the Year							
Mr Bhat S D	52	M.E. (Mechanical)	26	03/05/96	Chief Executive Officer Process Equipment Division	Belleli Saudi Heavy Ind. Ltd.— Saudi Arabia	98881
Mr Jagannathan T K	55	M.E. (Chemical)	31	01/07/96	Chief Executive Officer Environmental Engg., Division	Deutsche Babcock Ballkedurr Ltd.	257672
Mr Ramachandran B	51	B.E. (Electrical)	29	28/06/96	Vice President Environmental Engg. Division	Batliloi Ltd.	203218

- Notes : (1) Gross remuneration as shown above includes Salary, Bonus, Arrears for past years, Commission, Rent/House rent allowance and other allowances, Company's contribution to Provident Fund & Superannuation scheme, leave travel assistance, Medical expenses reimbursed, and actual expenditure incurred in providing perquisite or perquisites as per Income Tax rules whenever actual expenditure is not ascertainable.
- (2) Other terms and conditions of employment are as per agreement of service and rules of the Company.
- (3) None of the Employees is a relative of any Director of the Company.
- (4) All employees are entitled to health and accident insurance benefits.
- (5) None of the employees of the Company is drawing remuneration in excess of that drawn by the Managing Director or Whole-time Directors and holds by himself or with his spouse and dependent children 2% of the equity shares of the Company.

For and on behalf of the Board

Y C LUMBA
Executive Director

KOMAL CHHABRIA WAZIR
Director

Mumbai, 29th June, 1998.

CHAIRMAN'S STATEMENT



Indian economy continues to be sluggish with a major slow-down in almost all industrial sectors. The capital goods industry in general and the process plant industry in particular, had to face the brunt of poor demand, postponement of major infrastructure projects and falling exports. Economic growth has been about 4% in Fiscal Year 1998 as against over 7% growth in the previous year. Union Budget endeavours to give impetus to agriculture as well as industrial sectors through massive increases in public spending and by providing incentives to private and foreign investments. Infrastructure development is expected to accelerate industrial growth. However, it will take some time before these measures get translated into growth in the economic activity level. Thus Financial Year 1998-99 is also expected to be turbulent.

Your Company's performance in the year 1997-98 is characterised by significant improvement in profitability achieved through favourable sales mix and control on operating costs. In the absence of many opportunities in the market place, instead of attempting to book orders at unremunerative prices and unfavourable contract terms, the Company's marketing strategy has been, to be selective in booking orders with good margins and positive cashflows. Your Company's commitment to Customer satisfaction and quality standards has made this feasible. The

Company has taken steps to improve operational efficiencies as well. Cost reduction measures have been implemented in all areas of operations. The organisation has also been restructured to strengthen its capabilities in "Project Business" which now constitutes a major part of the Company's turnover.

Phosphatic Fertiliser sector has significantly contributed to this year's turnover. Important project handled during the year included IFFCO's DAP/NPK Phase II Expansion at Kandla, installation of Pipe Reactor System for revamp of DAP and NPK Plants at Zuari Agro and expansion of Phosphoric Acid Plant at EID Parry. Water Treatment and Recycling Plant for Jindal Vijaynagar Steel, Effluent Treatment and DM Water Plant for TELCO's new Car Project are in progress. Waste Water Treatment Plants for Indian Petrochemicals Corpn. Ltd. (IPCL) and Indian Oil Corpn. Ltd. (IOCL) have also been completed during the year.

The Company's search for new technology partners has resulted in new associations. During the past few months Hyundai, John Holland and Seghers have agreed to work with HDO, for specific project opportunities. Association with such Partners will open up new business prospects in the years to come. In order to diversify into new areas such as Ammonia Revamp, Nitric Acid and Ammonium Nitrate Plant, the Company is in dialogue with reputed technology Partners.

In the Fertilizer sector, the anomaly of artificial price differential in nitrogenous and phosphatic fertiliser leading to sub-optimum use of NPK has been continuing for some time. Current proposals by the Government to improve the adhoc subsidy on phosphatic fertilisers, once implemented, will prompt further investments in this sector, where your Company enjoys a major market share as well as long standing reputation. The Company is also on the look-out for Export Projects in this sector.

Domestic Pulp & Paper Industry, which has been in the grip of recession due to cheaper imports, has benefited by increase in duty on imports, which should boost demand for indigenous paper. In other areas of process engineering, major investments are expected in alumina sector, where your Company has an established track record and a high market share.

Because of the Company's presence in a wide range of industrial segments and its ability to quickly adapt itself to changing market scenarios, outlook for the Company continues to be bright.

I would like to conclude by expressing my sincere appreciation to our valued customers, bankers, financial institutions, suppliers as well as Government authorities for their valuable support. I would also like to compliment all employees and look forward to their unstinted support and cooperation.

Thank you,

M. R. CHHABRIA
Chairman

FINANCIAL HIGHLIGHTS

31.03.1998 31.03.1997 31.03.1996 31.03.1995 31.03.1994

CAPITAL ACCOUNTS :

(Rs. in lakhs)

Net Worth (Including Revaluation Reserve)	7318.43*	6968.07*	7176.99*	4740.95*	4561.51*
Borrowings	719.67	875.03	1239.64	1384.56	467.25
Gross Block	5611.56	5671.30	5526.08	3165.96	2868.81
Net Block	4950.65	5130.31	5111.37	2825.07	2581.39
Net Current Assets	2920.15	2693.36	3093.23	3086.80	2433.33

REVENUE ACCOUNTS :

(Rs. in lakhs)

Sale	8224.82	8275.42	10432.90	6254.59	5797.82
Other Income	89.41	287.17	293.32	203.48	259.88
Profit from Operations	827.63	426.36	1044.70	653.88	652.54
Interest	177.13	202.29	265.91	175.90	111.08
Profit before tax	650.50	224.07	778.79	477.98	541.46
Profit after tax	362.98	65.97	541.79	357.48	280.00
Net Earnings for Appropriations	611.37	310.66	659.77	509.30	419.38
Dividend (Excluding Dividend Tax)	95.04	47.52	190.08	166.32	142.56
Retained Earnings	506.83	258.39	469.69	342.98	276.82

SELECTED INDICATORS :

Return on Capital Employed (%)	28.04	16.47	37.50	26.87	29.09
Unexecuted Orders on Hand (Rs. crores)	54.36	95.17	74.03	100.42	52.43
Current Ratio	1.62:1	1.54:1	1.51:1	1.98:1	1.94:1
Borrowing/Shareholders' Funds	0.24:1	0.34:1	0.45:1	0.58:1	0.21:1
Sales/Shareholders' Funds (times)	2.79	3.20	3.75	2.57	2.59
Earnings per share (Rs.)	7.64	1.39	11.40	7.52	5.89
Dividend per share (Rs.)	2.00	1.00	4.00	3.50	3.00
Book Value per share (Rs.)	154.01*	146.63*	151.03*	99.77*	95.99*
Market Price — High (Rs.)	48.50	86.00	100.00	220.00	270.00
— Low (Rs.)	19.50	42.00	80.00	95.00	45.00

*After Revaluation of Assets in the years 1989-90, 1992-93 and 1995-96.

DIRECTORS' REPORT

TO THE MEMBERS,

The Directors are pleased to present their 23rd Annual Report and the Audited Accounts for the financial year ended 31st March, 1998.

FINANCIAL RESULTS

GROSS INCOME

	Year ended 31-03-1998 Rs. in lakhs	Year ended 31-03-1997 Rs. in lakhs
Sales Income	8224.82	8275.42
Other Income	89.40	287.17
	8314.22	8562.59

PROFIT BEFORE INTEREST, DEPRECIATION AND TAX

	958.27	545.41
Less :		
Interest	177.13	202.29
Depreciation	130.64	119.05
	307.77	321.34

PROFIT BEFORE TAX

	650.50	224.07
Less :		
Provision for Taxation	287.52	158.10

PROFIT AFTER TAX

	362.98	65.97
Profit brought forward from previous year	248.39	244.69

PROFIT AVAILABLE FOR APPROPRIATION

	611.37	310.66
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APPROPRIATIONS

General Reserve	200.00	10.00
Proposed Dividend	95.04	47.52
Corporate Dividend Tax	9.50	4.75
Balance carried to Balance Sheet	306.83	248.39
Total	611.37	310.66

DIVIDEND :

Your Directors are pleased to recommend a dividend of Rs. 2.00 per share (20%) (previous year 10%). This will absorb Rs. 95.04 lakhs (previous year Rs. 47.52 lakhs).

OPERATIONS :

Presence in diverse range of industries has been helping your Company to maintain its activity level inspite of adverse conditions in some of the business segments. Though the turnover remained at the level of the previous year's turnover, the year under review is marked by significant improvement in profitability and cash flows. While continued sluggishness in industrial growth had an adverse impact on the order booking target for the year, the company concentrated on strengthening its operations through improved project management practices, cost control and focussed attention on specific opportunities in its marketing strategy. Many active proposals in Aluminium, Petrochemical and Phosphatic

Fertilizer sectors are expected to materialise during the first half of the Financial Year 1998-99. However, present uncertain industrial/economic climate in the country is a cause for concern.

FINANCE :

Improved financial discipline and better commercial terms with the customers have extended good working capital support to the Company's operations. With increased proportion of projects, in the turnover, and substantial shipments in the last quarter of the financial year, year end position of the receivables is much higher than the average of receivables during the year. Minimising receivables and realising old receivables is being attended to on priority.

TECHNOLOGY :

Recognising the process engineering capabilities, your Company is able to associate with technological partners and

DIRECTORS' REPORT (Contd.)

offer state-of-art solutions to the customers. R&D activities with respect to Industrial Effluent Treatment to meet the exacting requirements such as Sulphide removal in the Refinery waste and other pollution control related technological developments were undertaken during the year.

SUBSIDIARIES :

During the year Harshit Finlease & Investments Ltd and Patel Filters Limited became subsidiaries of your Company. As required by Section 212 of the Companies Act, 1956, audited accounts of these two companies, and the reports thereon of the Directors and Auditors for the year ended 31st March, 1998 are attached.

PUBLIC DEPOSIT SCHEME :

The Company could mobilise deposits amounting to Rs. 225.01 lakhs from 1399 depositors and as of 31st March, 1998 the Company has an aggregate deposit of Rs. 554.41 lakhs from 3841 depositors. During the year deposits worth Rs. 145.42 lakhs were repaid to 1039 depositors.

DIRECTORATE :

During the year Mr. M. L. Bhakta resigned as he has decided to curtail his responsibilities under medical advice and his resignation was accepted with effect from 12.03.98. He was associated with the Company for more than a decade and enriched the Company with his immense expertise. The Board places on record its deep appreciation for the valuable guidance provided by Mr. Bhakta during his long association with the Company.

Mr. G. K. Apte, Managing Director, resigned from his office with effect from 12.03.98. The Board places on record its appreciation for the valuable services rendered by Mr. Apte during the tenure of his service.

Mr. S. T. Attari and Mr. Y. C. Lumba were appointed as Executive Directors of the Company with effect from 12.03.98. They both have a rich experience and expertise in

their respective fields and the Board feels that the Company will achieve new heights under their leadership.

The Board appointed Mr. B. S. Mehta as an Alternate Director to Mr. M. R. Chhabria on 23.03.98. Mr. B. S. Mehta ceases to be an Alternate Director to Mr. T. S. Shettigar with effect from 23.03.98.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. T. S. Shettigar, Director retires by rotation and being eligible offers himself for reappointment.

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION ETC. :

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

PARTICULARS OF EMPLOYEES :

A statement giving particulars as required by Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, is annexed to this Report.

AUDITORS :

M/s. S. R. Batliboi & Co., Chartered Accountants being eligible offer themselves for re-appointment.

ACKNOWLEDGEMENT :

The Directors wish to place on record their appreciation to all the employees for their efforts and dedication. Relationship with the union has been harmonious.

For and on Behalf of the Board

Y. C. LUMBA

Executive Director

KOMAL CHHABRIA WAZIR

Director

Mumbai, 29th June, 1998.