

I d e a s F i r s t

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KOTAK MAHINDRA
FINANCE LIMITED

14th Annual Report
1998-99

As boundaries diminish,

financial markets are evolving towards a new world order.

It's no longer numbers

that distinguish one company from another.

Report  junction.com

It's ideas.

Ideas that come
from the customer.

Ideas that work
for the customer.

At Kotak Mahindra, we believe
the best ideas come from the customer.
All we have to do is listen.

Corporate Finance

Since inception, corporate finance has helped us establish relationships with over 400 clients. Be it short term working capital, long term asset financing or big ticket leasing, we meet our clients' needs on time, every time. From the early days when we were a major bill discounting house to today when structured financing is our major activity, we have always focussed on the need of the client, meeting those requirements which are not fulfilled by the market.



K-value

The way consumer finance traditionally worked was that a customer decided what he wanted and then went about seeking finance. This meant a long gestation period. K-value transformed the market by changing the process. K-value is India's first pre-approved consumer finance brand. It gives customers a credit limit and the freedom to buy what they want, when they want. Starting with consumer durables, K-value has expanded its repertoire to include jewellery, international holidays and even weddings.

Commercial Vehicle Finance

Customer research showed that potential buyers hesitated not just because of the high cost of buying a truck. Running a truck was also quite expensive. Which is why we went beyond financing trucks to financing short-term requirements such as diesel, insurance, taxes and maintenance. This way, we not only helped customers start a business but run it as well.



Fixed Deposits

For over 127,000 customers, Kotak Mahindra Friendly Deposits represent the assurance of safety, liquidity and returns. With caring, personalised service, the deposits live up to their promise of being a friend you can trust.

Office Equipment

This is an area with tremendous potential, especially with offices getting more and more automated. Be it computers, printers, presentation aids, generators or even beverage dispensing machines and water coolers.

In order to meet the burgeoning demand for office equipment, we have set up six offices in India and disbursements are already underway.

Group companies

Kotak Mahindra Primus

Listening to our customers has helped us become one of India's leading car finance companies. Along with enjoying a premium position in the auto finance market, we have opened up the market for second hand car finance. We also helped people buy their second car through a direct marketing program aimed at customers who had finished paying for their first car.



Kotak Mahindra Capital Company

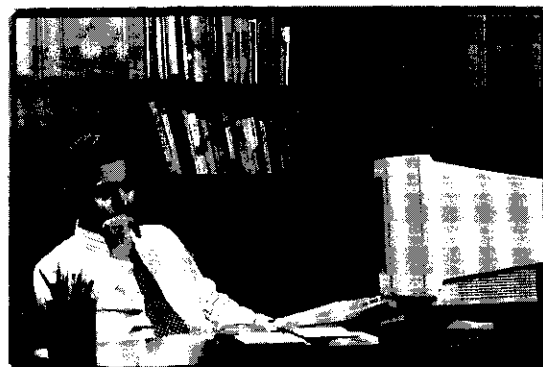
For three years running, Kotak Mahindra Capital Company (company with unlimited liability) has been ranked the number one fund mobiliser among private sector merchant bankers for public issues in India. KMCC is a joint venture between Kotak Mahindra Finance Ltd. and Goldman Sachs Group, USA. Our main products are equity markets, fixed income securities, mergers and acquisitions, structured financing, cross border fund raising and primary deals in the government securities market. Our client list includes some of the topmost Indian and international corporates, including Shell, British Gas, Ford, Hutchison Telecom, Reliance, ICICI, ACC and Tisco.

Kotak Mahindra Mutual Fund

There were over two hundred mutual fund schemes in the market when Kotak Mahindra Asset Management Company launched its maiden schemes. We knew that breaking through the clutter would not be easy. But once again, turning to the customer helped us come up with two novel schemes catering to the customer's need for safety and returns respectively. The first is K Gilt: the country's first dedicated gilt fund. K Gilt has turned out to be a pioneer in the field, spawning a host of gilt schemes in its wake. The second is K 30: an equity scheme that invests in the 30 choicest stocks.

Matrix

Matrix is more than a web-based information service. It is a time-saving device. In a world where time is money and information is power, Matrix is an indispensable corporate resource. Matrix India Informer gives subscribers single-window access to over 12 topline newspapers and data sources. At last count, Matrix offered up-to-date information on over 6,200 Indian companies and more than 170 industrial sectors.



THE KOTAK MAHINDRA GROUP OF COMPANIES: AN OVERVIEW

Name of the Company	Main Business Area	Scope of Activities
Kotak Mahindra Finance Limited	Asset Finance	Lease and Hire Purchase Structured Finance Short Term Finance Fund Syndication Securitisation Equity Finance Consumer Finance Fixed Deposits Investments Commercial Vehicle Finance
Kotak Mahindra Asset Management Company Limited	Mutual Funds	Management of the assets of the Mutual Fund
Matrix Information Services Limited	Information Services	Information on corporate news, trade statistics, stock and commodity prices, market studies, patents information and scientific and technical information
Kotak Mahindra Primus Limited	Automobile Finance	Finance for cars other than Ford
Kotak Mahindra Capital Company (company with unlimited liability)	Investment Banking	Equity Capital Markets Fixed Income Securities Cross Border Fund Raising Primary dealer in Government Securities Market Mergers & Acquisitions Structured Finance
Kotak Mahindra Securities Limited	Member of Wholesale Debt Market Segment of NSE	Fixed Income Securities Broking
Kotak Mahindra International Limited & Kotak Mahindra (UK) Limited	Financial Services GDR Broking and Advisory	Syndication of debt Placement and firm allotment of Indian securities Advisory Service GDR Trading and Broking Secondary Market Broking
Kotak Mahindra Inc., USA	Applied to Securities and Exchange Commission for Broker Dealer Registration	Primary Market Broking and Dealing in GDRs and Advisory (Proposed)
Ford Credit Kotak Mahindra Limited	Automobile Finance	Finance for Ford Cars

Kotak Mahindra Finance Limited

BOARD OF DIRECTORS

Harish Mahindra	Chairman
Uday Kotak	Vice Chairman
Shivaji Dam	Executive Director
Anand G. Mahindra	
S. A. A. Pinto	
K. M. Gherda	
M. R. Punja	
K. K. Sheth	
Cyril Shroff	
Pradeep N. Kotak	

BANKERS

Bank of Madura Limited
Citibank N.A.
Dena Bank
Deutsche Bank
HDFC Bank Limited
Punjab National Bank
Standard Chartered Bank
State Bank of India
State Bank of Patiala
The Sakura Bank Limited
Vijaya Bank

AUDITORS

V. C. Shah & Co.
C. C. Chokshi & Co.

SOLICITORS AND ADVOCATES

Amarchand & Mangaldas &
Suresh A. Shroff & Company

REGISTERED OFFICE

5C-II, Mittal Court,
224, Nariman Point,
Mumbai 400 021.
Telephone No. 2855550
Fax No. 2027391.

SHAREHOLDERS' INFORMATION

SHARE TRANSFER SYSTEM

Share transfers are registered and returned within 30 days from the date of receipt, if the documents are in order. The Share Transfer Committee generally meets thrice a month.

Transfer Deeds together with Share Certificates and any Communication regarding Share Certificates, Dividends, etc. should be marked : "Unit : Kotak Mahindra Finance Limited" and addressed to :

Karvy Consultants Limited

Karvy House, 46, Avenue 4,
Street No. 1, Banjara Hills, Hyderabad 500 034.
Telephone Nos.: (040) 3320251/751/752
Fax No.: (040) 3311968

Investor queries may also be addressed to Mr. Ganesh Nayak at the Registered Office of the Company.

Telephone No. 2855550 Ext. 303 Fax No. 2027391
email : ganeshn@kotakmahindra.com

DEMATERIALISATION OF SHARES

The Company has joined National Securities Depository Limited (NSDL) and the Central Depository Services (India) Ltd. and has admitted the Company's shares to trading in dematerialised form. Till date, more than 23,00,000 shares, representing 6.27% of the share capital of the Company, have been dematerialised.

Please visit our web-site : <http://www.kotakmahindra.com>



Kotak Mahindra Finance Limited

DIRECTORS' REPORT

The Directors present their Fourteenth Annual Report together with the audited accounts of the Company for the year ended 31st March 1999.

I. FINANCIAL RESULTS

	(Rs. in crores)	
	31st March 1999	31st March 1998
Gross Income	247.98	309.53
Expenditure	33.80	31.47
Interest and Bank charges	90.95	148.92
Gross Profit	123.23	129.14
Provisions / write offs for Non-Performing Assets	15.04	16.95
Profit before Depreciation and tax	108.19	112.19
Depreciation	73.61	73.08
Profit before tax	34.58	39.11
Provision for tax	22.40	18.00
Profit after tax	12.18	21.11
Surplus brought forward from previous year	40.77	47.41
Amount available for appropriation	52.95	68.52
Appropriations:		
General Reserve	0.50	10.00
Debenture Redemption Reserve	3.25	6.25
Special Reserve under Section 45 1C of the RBI Act, 1934	2.50	4.22
Proposed Dividend	4.41	6.61
Tax on distribution of Dividend	0.48	0.66
Surplus carried to Balance Sheet	41.81	40.78

II. DIVIDEND

The Directors recommend a tax-free dividend of 12%. (Previous year 18%).

III. ECONOMIC OUTLOOK

Industrial activity posted a negative growth during the year under review and several important sectors such as steel, textiles, cement, telecom, paper, etc. continue to face serious problems, with many players either turning sick or merging with stronger players. However, it is expected that, in the near term, the economy will remain stable and no significant downturn is envisaged.

IV. FINANCIAL SERVICES SECTOR OUTLOOK

The consolidation process in the financial services sector continued during the year and several non-banking financial companies (NBFCs) have either closed down or been taken over by stronger players. In such a scenario, mere survival itself is creditable and, after passing through the ongoing shakeout, the survivors in the industry should emerge as stronger players. The Company has been able to withstand the economic turmoil of the last few years and is confident of playing a major role in the financial services sector because of its inherent strengths of substantial network, low debt equity ratio, skilled manpower, large customer base and its willingness to re-strategise and keep pace with developments.

V. OPERATIONS

The deteriorating economic conditions affected business performance in 1998-99. Conscious decisions to reduce risk by curtailing assets, stricter credit norms for lending and avoiding long term exposures, resulted in a fall in gross income from Rs. 309.53 crores to Rs. 247.47 crores. The interest burden dropped from Rs. 148.92 crores to Rs. 90.95 crores. Provision for Non-Performing Assets was Rs. 15.04 crores against Rs. 16.95 crores in 1997-98. Profit before tax declined from Rs. 39.11 crores to Rs. 34.58 crores, and profit after tax was Rs. 12.18 crores against Rs. 21.11 crores in 1997-98, largely on account of a much higher tax provision of Rs. 22.40 crores against Rs. 18.00 crores mainly because of deferred tax liability of earlier years.

The Company's outstandings had increased in 1997-98 due to defaults and delayed payments from its clients, but its continuing aggressive recovery drive has met with some success. Some of the legal proceedings initiated in 1997-98 have yielded positive results during the year.

Kotak Mahindra Finance Limited

As at 31st March 1999 the Company's net NPA was Rs. 32.41 crores. NPA as a percentage of assets is about 3% and as a percentage of networth it is about 9%. While this level of NPAs is among the lowest in the financial services sector, it is expected that, by the end of next year, NPA as a percentage of networth will reduce substantially.

Inflows on account of royalty and dividends from subsidiaries have contributed to the stability of the Company's earnings and would continue to support the operations of the Company in future. However, a return to past levels of profitability will come about only when there has been a sustained upturn in economic activity and industrial growth.

Corporate Finance

The Company made significant changes in the way this business has been run, in order to cope with the challenges of the environment during the year under review. These changes entailed a rationalisation of manpower resources; shifts in client and product profiles; focus on profitability of current operations as measured by ROE; de-emphasising Balance Sheet size; acquisition of new skills by employees; application of innovative solution-based approach to recovery of non-performing assets, etc. The Company concentrated on short term and medium term financing of structured transactions controlled through cashflow and security and followed conservative and cautious lending policies due to continued uncertainty in the economic outlook. As a result, the Company has had negligible incremental non-performing assets. The Balance Sheet size will continue to be controlled till a recovery in the economy is visible.

Syndication

Similar to the funding businesses, the syndication business also entailed a shift in strategy to syndication of structured finance products in addition to the traditionally syndicated products such as Leases, Bills, Share Finance, etc. The syndication volumes increased in the year under review and were in excess of Rs. 450 crores in the lease and structured products and Rs. 120 crores in short term products.

Commercial Vehicle Financing

During the year under review the commercial vehicle industry continued to reel under recession and transport operators found it difficult to meet their financial obligations. Compared to the last financial year, the Division's disbursements dropped by about 20%, consistent with the industry decline in the sale of commercial vehicles, and it concentrated on strengthening its credit appraisal process and recovery mechanism. The outlook for the industry for 1999-2000 is expected to be sluggish and not much better than 1998-99. The Division will continue to focus on quality of credit rather than chasing volumes. However, when the turnaround in economic activity takes place, the Division is poised to capture a higher market share.

Consumer Services

Consumer lending through pre-approved credit facility for individuals under the brand "K-value", launched last year, made further inroads in the market place. Several new products were added during the year, further facilitating fulfilment of personal aspirations. In addition to consumer durable financing, customers can now avail of finance for services such as holidays abroad, fitness, parties, etc. The Company's initiatives in assisting small and medium sized businesses and professionals to acquire office equipment on finance have been strengthened.

Resource Raising

The Company's resources position continues to be comfortable and its bankers, financial institutions and investors continue to repose confidence in the Company.

Fixed Deposits

In tune with the money market conditions and softening interest rates during the year, the Company effected downward revisions in the interest rates on its deposits from time to time. Although the public's negative perception of NBFCs in general affected fresh mobilisation and renewals for most NBFCs, the Company's deposit schemes continue to be well received. While deposits on hand came down by Rs. 26 crores compared to the last year's level, the Company actually benefitted thereby, since the overall cost of its deposits fell significantly over the previous year's levels.

VI. SUBSIDIARIES

Kotak Mahindra Capital Company (KMCC) registered an increase in its franchise income and, despite a decline in net profit as compared to the previous year, continues to consolidate its position. It has secured several prestigious assignments and mandates, and its subsidiaries, operating from Dubai and the United Kingdom, recorded excellent performance. The consolidated profits of its international arm of operations, Kotak Mahindra (International) Limited, for the year ended 31st December 1998 were US \$ 862,697 as against a loss of US \$ 238,044 in the previous year. KMCC declared a dividend of 100% for the year ended 31st March 1999 and the Company has taken credit for this, amounting to Rs. 2.97 crores.

Kotak Mahindra Primus Limited (KMPL), the automobile financing company, has, despite all round decline in all segments of the passenger car industry, maintained its overall market share and has a strong presence in the car finance business. KMPL reported a net profit of Rs. 6.13 crores for the year ended 31st December 1998, as against Rs. 3.78 crores during the previous period of 9 months ended 31st December 1997. KMPL focussed on effecting improvements in its processes, procedures and systems to achieve international standards.

Kotak Mahindra Finance Limited

Kotak Mahindra Asset Management Company Limited (KMAMCL) launched its mutual fund schemes in December 1998. Both the K-30 scheme, investing in equities, and the innovative K-Gilt scheme, investing in virtually risk-free Government securities, garnered heavy subscriptions exceeding Rs. 90 crores in the initial public offering and have been performing creditably. K-Gilt, the dedicated Gilt Fund, has the distinction of being the only mutual fund scheme in India in which gratuity, pension and provident funds are permitted to invest. Encouraged by the interest in mutual funds and the success of its two maiden existing schemes which, as of date, have funds in excess of Rs. 240 crores under management, KMAMCL plans to launch several new schemes shortly.

Matrix Information Services Limited, the wholly-owned information distribution subsidiary, further strengthened its presence through superior delivery and its expertise as a provider of content. It is poised to make rapid strides and benefit from the growing demand for commercial knowledge.

The activities and financial results of these and other subsidiary companies of the Company are detailed in their respective Directors' Reports and audited accounts, which are attached to this Report.

On 1st February 1999, Kotak Mahindra Inc., U.S.A., (KMInc.) allotted 50,000 shares of US \$ 0.01 each to KMCC. Thus, effective 1st February 1999, KMInc. has become a wholly-owned subsidiary of KMCC. However, since the first accounting period of KMInc. will end on 31st December 1999, no accounts of KMInc. are attached to the accounts of KMCC for KMCC's year ended 31st March 1999.

With the allotment to the Company of 50,000 equity shares of Rs. 10 each by Kotak Mahindra Trustee Company Limited (KMTCL) on 12th May 1999, KMTCL became a wholly-owned subsidiary of the Company.

VII. DIRECTORS

Mr. K.M. Gherda, Mr. K.K. Sheth and Mr. Cyril Shroff retire by rotation at the Fourteenth Annual General Meeting and, being eligible, offer themselves for reappointment.

VIII. AUDITORS

Messrs V.C. Shah & Co., Chartered Accountants, Mumbai, and Messrs. C.C. Chokshi & Co., Chartered Accountants, Mumbai, the joint Auditors of the Company, retire at the Fourteenth Annual General Meeting and are eligible for reappointment.

IX. STATUTORY INFORMATION

During the year under review, the Company's foreign exchange outgo was Rs. 5.69 lakhs. It had no foreign exchange earnings. The other particulars prescribed under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are not applicable since the Company is not a manufacturing company.

As on 31st March 1999, 2158 deposits totalling Rs. 2.93 crores were unclaimed. Till the date of this Report, 939 deposits aggregating Rs. 1.34 crores have been renewed or repaid and steps are being taken to elicit responses from the remaining depositors for the renewal or repayment of their deposits. The Company has complied fully with all the guidelines of Reserve Bank of India on maintenance of liquid assets on its portfolio of deposits.

X. REGULATORY GUIDELINES

The Company has made a provision of Rs. 15.04 crores for the year towards non-performing assets, fully complying with the provisioning requirements of the prudential norms prescribed by Reserve Bank of India. The Company has also complied with the Directions issued by Reserve Bank of India regarding Capital Adequacy, Asset Classification and restrictions on concentration of Credit and Investments. The Company's Capital Adequacy Ratio of more than 24% is in excess of the prescribed minimum norm.

The Company has received a certificate of registration as a Non-Banking Financial Company pursuant to the Reserve Bank of India (Amendment) Act, 1997.

Based on its results for the year under review, the Company will no longer be classified as an "Equipment Leasing/Hire Purchase" Company but will be treated as a "Loan" Company and the necessary confirmation thereto is being sought. This re-classification does not affect the registration received as aforesaid from Reserve Bank of India.

XI. Y2K COMPLIANCE

All hardware and infrastructure equipments other than those which are to be scrapped/upgraded within the next six months have been tested for Y2K compliance. The bought out software has been certified to be Y2K compliant by the vendors and supported by certification by qualified bodies. Software developed in-house has also been made Y2K compliant, duly certified by qualified agencies. The available patches from International Vendors have been applied to the respective Operating System and Office Automation Software for making these Y2K compliant. The Company has not incurred any material amounts towards Y2K preparedness. The Company is of the opinion that, consequent to the steps implemented, it carries a minimal amount of risk of Y2K.

For and on behalf of the Board of Directors

Harish Mahindra
Chairman

Mumbai, 28th May 1999.



Kotak Mahindra Finance Limited

ANNEXURE TO THE DIRECTORS' REPORT

Information as per Section 217(2A) of The Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March 1999

(1) Name (2) Designation (3) Gross Remuneration (Rs.) (4) Qualification (5) Experience in years (6) Age (Yrs.) (7) Date of commencement of employment (8) Last employment (9) Designation

EMPLOYED THROUGHOUT THE YEAR

(1) Ajit Kumar (2) Associate Vice President (3) 996734 (4) B.Com., DIP.MBA (5) 15 (6) 41 (7) 02-Dec-96 (8) Apollo Finance Ltd. (9) General Manager (1) Ananthanarayan N. C. (2) Associate Vice President (3) 620541 (4) B.Com. (5) 21 (6) 43 (7) 04-Oct-95 (8) Premier Auto Electric Ltd. (9) Manager (1) Anshu Dorairaj (2) Associate Vice President (3) 779544 (4) B.Com., MFC (5) 7 (6) 34 (7) 01-Apr-97 (8) Kotak Securities (9) Associate Vice President (1) Arvind Lahoty (2) Associate Vice President (3) 805746 (4) B.Com. ACS,ACA (5) 6 (6) 29 (7) 08-May-95 (8) A. F. Ferguson & Co. (9) Manager (1) George V. (2) Associate Vice President (3) 955926 (4) B.Com. (5) 19 (6) 41 (7) 11-Oct-93 (8) Bhatia General Hospital (9) Administrator (1) Kannan D. (2) Vice President (3) 1667173 (4) B.Com., Grad. CWA,ACA (5) 13 (6) 38 (7) 28-Dec-91 (8) Wipro Infotech (9) Manager (1) Krishna Kumar T (2) Vice President (3) 1677019 (4) B.Sc., MBA (5) 18 (6) 40 (7) 07-Nov-91 (8) Wipro Infotech (9) Manager (1) Manian K.V.S (2) Vice President (3) 1296874 (4) B.Tech., MMS, AIWCA (5) 15 (6) 37 (7) 01-Feb-95 (8) Premier Auto Electric Ltd. (9) Financial Controller (1) Mukesh Marfatia (2) Associate Vice President (3) 811534 (4) B.Com., DCA (5) 16 (6) 38 (7) 06-Jan-97 (8) Birla Consultancy (9) GM-Systems (1) Pola Ravilochan (2) Associate Vice President (3) 846181 (4) B.Com., ACA (5) 11 (6) 36 (7) 07-Oct-94 (8) I. T. W Signode (I) Ltd. (9) Manager (1) Raghavendra Mahanjankatti (2) Associate Vice President (3) 739196 (4) B.Com. (5) 17 (6) 44 (7) 01-Dec-96 (8) Sundaram Finance Ltd. (9) Area General Manager (1) Raghunandan Maluste (2) Senior Vice President (3) 1889915 (4) B.Sc. MBA, FCA (5) 20 (6) 49 (7) 02-Dec-96 (8) James Capel Battiwala & Karani (9) Director (1) Rajeev V. Saptarshi (2) Associate Vice President (3) 907573 (4) B.Com., ACA, CS (5) 11 (6) 32 (7) 02-May-94 (8) Tata Unisys Ltd. (9) Financial Executive (1) Rajiv Saran (2) Vice President (3) 885081 (4) B.A., ICMA, FCA (5) 24 (6) 48 (7) 03-Aug-94 (8) Consultant (1) Rajiv Gurnani (2) Associate Vice President (3) 671918 (4) BE., MBA., CFA (5) 8 (6) 33 (7) 05-Jul-93 (8) 20th Century Venture Capital (9) Assistant Manager (1) Ramachandran A. (2) Associate Vice President (3) 868666 (4) B.Com., ACA (5) 8 (6) 33 (7) 04-Jul-94 (8) KPMG, Yemen (9) Senior Auditor (1) Sanjay K. (2) Associate Vice President (3) 613275 (4) BE., MBA (5) 9 (6) 34 (7) 12-Sep-94 (8) Modi Xerox Ltd. (9) Product Support Manager (1) Shekhar Iyer (2) Associate Vice President (3) 644291 (4) B.Com. (5) 17 (6) 42 (7) 01-Jun-88 (8) Accumax Engg. Pvt. Ltd. (9) Accounts Assistant (1) Shivaji Dam (*) (2) Executive Director (3) 2109676 (4) B.Com. ACA, AICWA, ACS (5) 18 (6) 41 (7) 01-Apr-86 (8) National Radio & Elect. Co. Ltd. (9) Finance Executive (1) Shreekanth P. (2) Vice President (3) 1062084 (4) B.Com., ACA (5) 17 (6) 38 (7) 01-Apr-97 (8) Kotak Securities (9) Vice President (1) Sourtrajan V. (2) Vice President (3) 1165674 (4) B.Com., LL.B., Grad CWA, ACA, ACS (5) 17 (6) 40 (7) 06-Dec-93 (8) Hoechst India Ltd. (9) Manager (1) Srinivasan V. (2) Vice President (3) 1083757 (4) B.A., M.A., M.Com., MBA (5) 13 (6) 38 (7) 02-Jun-93 (8) Overseas Sanmar Ltd. (9) Manager (1) Subba Rao Amarthalur (2) Associate Vice President (3) 894801 (4) B.Com., ACA (5) 11 (6) 39 (7) 10-Jul-96 (8) I. T. W Signode (I) Ltd. (9) Chief Manager (1) Subramaniam L.S (2) Vice President (3) 794351 (4) B.E., MMS (5) 11 (6) 38 (7) 03-Mar-97 (8) SHV Energy Ltd. (9) Head of Information & Tech. (1) Sundaraman R. (2) Associate Vice President (3) 862696 (4) B.Com., ICWA (5) 17 (6) 39 (7) 10-Jun-96 (8) Tata Finance Ltd. (9) Sr. Manager (1) Suresh N. J (2) Associate Vice President (3) 748251 (4) B.Sc., MBA (5) 14 (6) 35 (7) 01-Dec-93 (8) Integrated Financial Co.Ltd. (9) Manager (1) Vazifdar N.J.N. (2) Vice President (3) 1368858 (4) B.Com., ACA, FCS, MIMA (5) 25 (6) 50 (7) 09-Jan-95 (8) Mahindra Ugine Steel Co. Ltd. (9) Sr. Vice President (Fin.) & (Sec.) (1) Viraf R. Mehta (2) Vice President (3) 1465329 (4) B.Sc., LL.B. DBM, MA (PM&IR) (5) 19 (6) 44 (7) 25-Oct-93 (8) Fairtrade LLC (Oman) (9) Manager (1) Zuber Kazi (2) Associate Vice President (3) 607950 (4) DCE (5) 11 (6) 31 (7) 14-Mar-96 (8) Hoechst India Ltd. (9) Executive

EMPLOYED FOR PART OF THE YEAR

(1) Dr. Ram K Mangal (2) Senior Vice President (3) 1033204 (4) B.Tech., MBA, CISA, P.hd (5) 17 (6) 42 (7) 07-Oct-98 (8) Reliance Petroleum Ltd. (9) Sr. Vice President (1) Ganapathy G. R. (2) Manager (3) 65821 (4) BE., PGDM (5) 4 (6) 28 (7) 01-Jun-95 (1) Kaushik Modak (2) Associate Vice President (3) 634668 (4) B.Com., ACA (5) 11 (6) 33 (7) 01-Jun-92 (8) ITC Ltd. (9) Executive (1) Neeraj Gambhir (2) Manager (3) 122041 (4) B.E., PGDM (5) 4 (6) 26 (7) 01-Jun-95 (8) Citibank N.A. (1) R. S. Mani (2) Vice President (3) 553217 (4) M.Com., PGDFT (5) 15 (6) 40 (7) 01-Oct-98 (8) Kotak Mahindra Capital Company (9) Vice President (1) Rajat Mathur (2) Manager (3) 65468 (4) B.E., PGDPM&IR (5) 5 (6) 28 (7) 01-Jun-95 (8) ITC Ltd. (1) Sanjeev Shah (2) Associate Vice President (3) 161675 (4) B.Com., MDBA (5) 8 (6) 30 (7) 25-Jul-92 (1) Santosh Dani (2) Associate Vice President (3) 148090 (4) BBM., MDBA (5) 11 (6) 36 (7) 14-Jun-90 (8) Mercantile Credit Corp. (9) Marketing Executive (1) Vipin Saigal (2) Assistant Manager (3) 110951 (4) B.Com. (5) 18 (6) 43 (7) 01-May-94 (8) Bank of America (9) Operations Manager

Notes :

- Gross remuneration includes salary, house rent allowance etc., reimbursement of medical expenses and leave travel passage. Company's contribution to Provident Fund/Pension Fund and monetary value of perquisites calculated in accordance with the Income Tax Act, 1961 and the Rules made thereunder.
- Nature of employment in all cases is non-contractual except in the case marked (*) and the terms and conditions are as per the Company's rules.
- None of the above employees is related to any Director of the Company and holds 2% of the total share capital of the Company.

For and on behalf of the Board of Directors

Harish Mahindra
Chairman

Mumbai, 28th May 1999.