

ANNUAL REPORT 1998-99

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ANOTHER DROP... A BIGGER OCEAN

Board of Directors

Anil K. Sethi	Chairman
J.S. Varshneya	
R.L. Gaggar	
Subhash K. Sethi	Vice-Chairman & Managing Director
Sushil K. Sethi	Managing Director
D. Roy	Executive Director

Executives

B.B. Chakraborty	Vice-President
B.N. Choudhary	Vice President (Finance) & Secretary
A.C. Goyal	Vice-President (Engineering)
M.N. Pore	Vice-President (Projects)
S.C. Vijay	Vice-President (Projects)
A.N. Bhattacharya	Chief Engineer (Mechanical)
R.K. Banerjee	Chief Engineer (Civil)
B.B. Mukherjee	General Manager (Projects)
V.K. Talwar	General Manager (Projects)
G. Tandon	General Manager (Commercial)
D. Choudhury	General Manager (Marketing)
A.C. Batliwal	General Manager (Finance & Accounts)

Registered Office

F-27/2, Okhla Industrial Area
Phase-II
New Delhi 110 020

Head Office

113, Park Street, 3rd Floor
Calcutta 700 016

Branch Offices

8/2, Ulsoor Road
Bangalore 560 042

Flat no. 104, First Floor, Unique House
1117/5A, Ganeshkhind Road, Shivaji Nagar, Pune 411 016

Fancy Bazar
Guwahati 781 001

A502, Mansi Complex, Premchand Nagar Road,
Wastrapur, Ahmedabad 380 015

Bankers

Canara Bank
State Bank of India
State Bank of Travancore
State Bank of Hyderabad
Bank of Baroda

Auditors

Sunil Kumar Gupta & Co.
Chartered Accountants
B-2 Magnum House -1
Karampura Commercial Complex
New Delhi 110 015

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MAKING WAVES...

True, Subhash Projects and Marketing Limited (SPML) have been in business for just 18 years. And therein lies our achievement. For, we have used every year to the fullest, making tremendous waves in the realm of water management with regard to national infrastructural uplift. One reason for that has been our superior model of functioning, encompassing turnkey design, engineering, procurement, construction, installation, commissioning and even operations and maintenance services.



This Engineering, Procurement and Construction (EPC) system, where the owner appoints a single entity through competitive bidding, represents an integrated function, involving the active involvement of core professionals, providing quality assurance as well as resolving technical issues. We have invested vastly in information technology, notably the Enterprise Resource Planning, where the entire process from market information to the actual commissioning is programmed such that one can, at any time, access the software and ascertain the status of a given project, curbing wastage of time and resources – while giving efficiency a fillip.

Today, we are close to being a Rs 250 crore company. But our chief assets are goodwill and, needless to say, credibility.

RIDING ON ITS CREST....

Our scale of expertise extends over large industrial undertakings like thermal power plants, various water supply and sewerage boards and corporations, thus catering to the infrastructural needs of the country and it's our repeated feats in the area of water management that has set us apart from our esteemed competitors. The

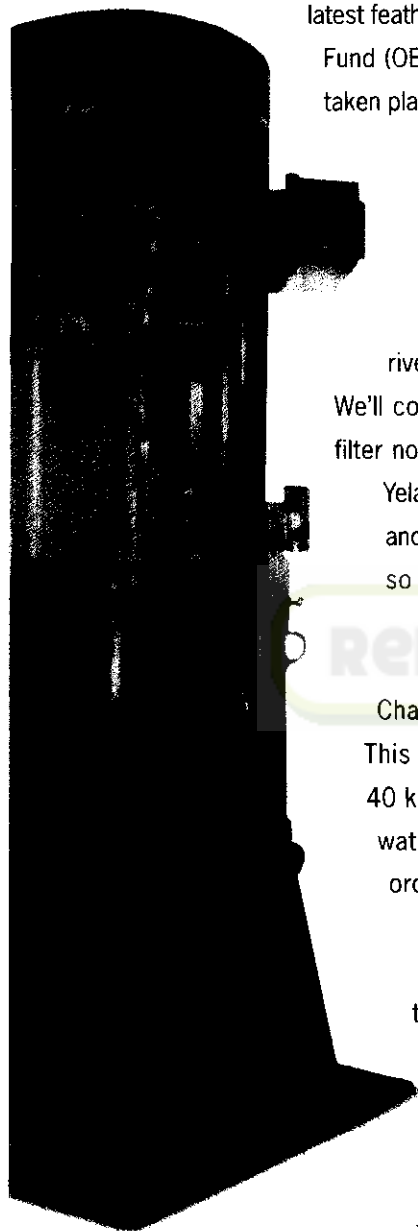
latest feather in our cap is the Bakreshwar Thermal Power Plant, funded by the Overseas Economic Corporation Fund (OECF) of Japan. Now that the boiler has been lit up and the synchronisation of the first unit has taken place, we're extremely gratified for having been involved in a crucial enterprise aimed at West Bengal's

industrial movement. But not far from Bakreshwar, we'd be soon embarking on another task courtesy the Lakshmanpur Raw Water Intake, Water Treatment Plant and Clear Water Pumping Project, under the auspices of the Bolpur and Raghunathpur Water Supply, Sanitation and Health Education Project of the Public Health and Engineering Directorate, West Bengal, and worth Rs 27.37 crores. This aims at drawing 11 MLD of raw water from Ulla Nadi, a tributary of Damodar river, purifying it and then distributing it in the Lakshmanpur area in West Bengal's Purulia district.

We'll collaborate with world leaders in water treatment, OTV of France, from whom we'll be acquiring filter nozzles, crucial to the project. Another project that will witness our collaboration with OTV is the Yelahanka Sewerage Treatment Plant, valued at Rs 22 crores, awarded by the Bangalore Water Supply and Sewerage Board. Here, OTV/SUBHASH joint venture will institute a waste water treatment system so that effluent water can receive tertiary treatment, thus recycled for industrial purposes.

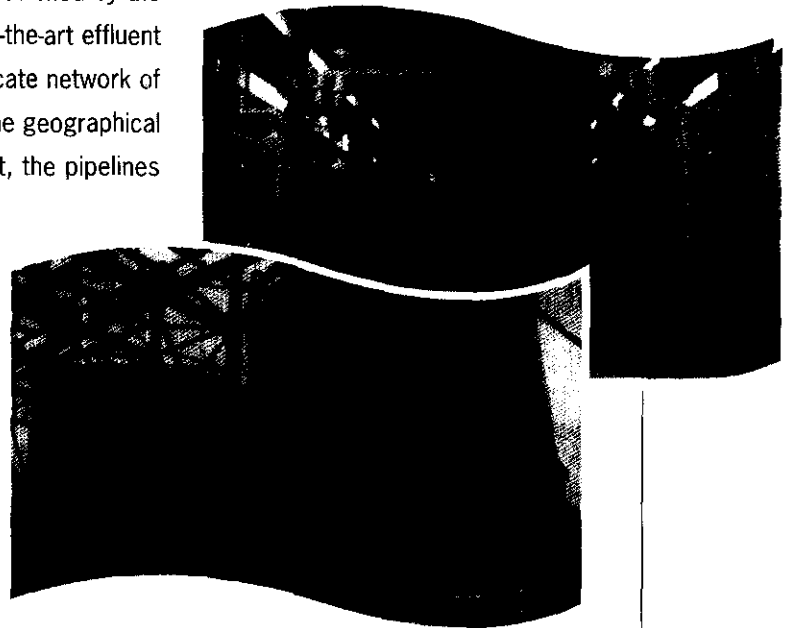
There are many other projects, too. For starters, the Regional Water Supply Scheme for Chamarajnagar, under the auspices of the Karnataka Urban Water Supply and Drainage Board. This job entails pumping water from the river Kabini and transporting it to Chamarajnagar, 40 kilometres away. Premised on the need for drinking water, our task involves constructing a raw water pumping main, a water treatment plant, overhead reservoirs, beside the usual needs. The order value is Rs 14.73 crores.

We'll be lending our expertise to the Karnataka Urban Water Supply and Drainage Board courtesy the 60 MLD Sewage Treatment Project in Mysore. The requirements are substantial, featuring the need for designing, constructing, testing and commissioning a large sewage treatment plant. After allowing the sewage to enter the inlet chamber, the flow will be passing by gravity through a screen chamber, a grit chamber, a parshall flume and a division box. It'll flow into aerated lagoons, led through sedimentation basins, and finally the treated sewage will make its way to the nearest storm water drain. This project carries with it a worth of Rs 11.3 crores.



Additionally there are many other projects under execution, cumulatively worth Rs 70 crores. Namely, the Dravangiri and Ramanhali Water Supply Scheme and the Nanjapura Lift Irrigation Scheme in Karnataka. And the Patelnagar Water Supply Scheme in Chennai.

Unseemly tasks are definitely our forte. The Chennai Sewerage Renovation and Functional Improvements Project, for instance. Funded by Japan's OECF and commissioned by the Government of India, the project entails creating a state-of-the-art effluent and permeate conveyance system. Laying a vast and intricate network of pipelines. Building an effluent pumping station. However, the geographical nature of the region presents a significant reality. In short, the pipelines are to be mostly laid in the residential areas across the city, minimising, thus, dislocation of traffic. With the order value of Rs 100 crores, this project will surely further our calibre in the realm of water management.



Parallely, we have excelled in our involvement in the Water Supply Scheme courtesy the ADB funded Paradip Port Coal Handling Project. An enterprise that compelled the need for several pumping stations, in addition to sewage treatment systems, with expansive stretches of pipelines. This network was especially challenging as it had to be laid very close to the seashore, an area where the ground water table is undesirably high. The project nearing completion. Gujarat's arid district of Saurashtra, too, will soon be a beneficiary of our expertise. For, we have been awarded the mammoth task of drawing raw water from neighbouring areas of Pareij and Kanewal and pumping it through a cross-country pipeline - 2050 mm in diameter – to Pipli 50 kilometres away. Awarded by the Narmada Water Resource and Water Supply Department, and valued at Rs 106.68 crores, we have zestfully embarked on this enterprise which will culminate with Saurashtra receiving as much as 287 million litres of water a day.



Maharashtra, for its part, will witness as many as eight projects in various water supply schemes cumulatively amounting to Rs 247 crores. Chief among which are the Langhapur Rural Water Supply Scheme, worth over Rs 29 crores, involving bringing drinking water to close to 60 villages, via, again, an intricate array of pipelines attended by a water treatment plant. The second project is the Shirvahi Rural Water Supply Scheme where, again, we are entrusted with the task of bringing much-needed drinking water to 81 villages, courtesy a system that will comprise, apart from pipelines, a host of reservoirs

and a water treatment plant, too. This project is worth a sizeable Rs 69.60 crores.

A few ongoing projects in Churu district of Rajasthan, Dharnasar and Agra are in advanced stages of completion.

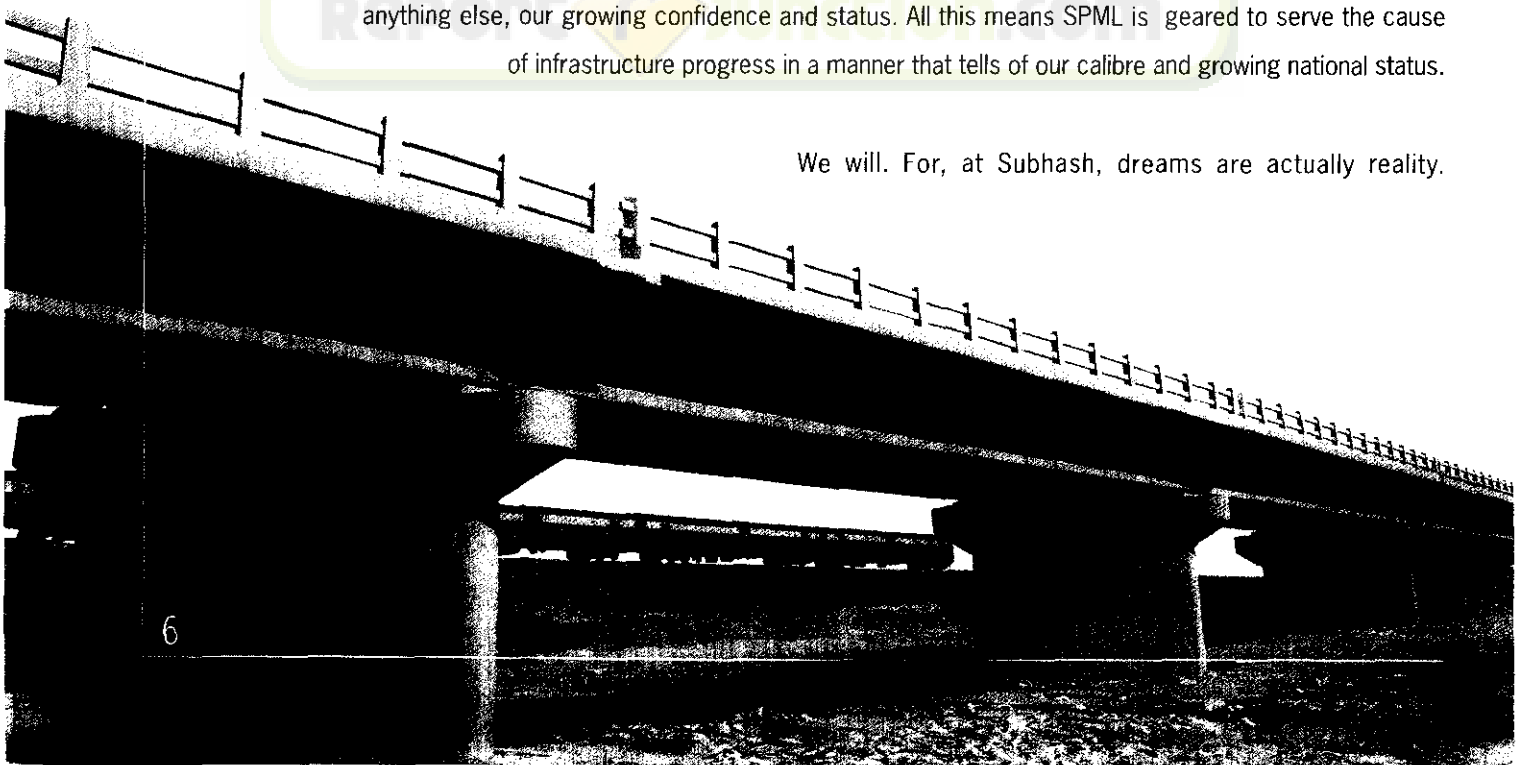
PADDLING AHEAD...

Plants need to be watered, to flourish, to grow, to vindicate the charms and wondrousness of nature. At Subhash, we look upon our existence, our relevance in the larger scheme of things in very much the same way. Consequently, we intend to grow by further harnessing the powers of water. In doing so, we'll know that commitment has its prize, and success has its fruits. We will continue to break new grounds in the realm of infrastructural development. We'll continue to seek, as is our habit, newer and more demanding projects in a constant endeavour to polish our standards further.

One of the prime reasons accounting for our success is the premium we put on training programmes, both internally and externally. Our executives are sent to reputed institutes for various management programmes. We invite various experts to conduct workshops on Project Management, Total Quality Management and Design Engineering. Internally, we organise well-structured programmes for trainee engineers. Here, department heads are called to undertake training programmes on a regular basis, enhancing interaction within and performance of our employees.

The fact that we have already bagged several contracts for the current financial year bespeak, above anything else, our growing confidence and status. All this means SPML is geared to serve the cause of infrastructure progress in a manner that tells of our calibre and growing national status.

We will. For, at Subhash, dreams are actually reality.



REPORT & ACCOUNTS

To
The Members

The Directors have pleasure in presenting the Eighteenth Annual Report and Audited Statement of Accounts of the Company for the Financial year ended 31st March, 1999.

FINANCIAL RESULTS

		(Rs. in Lacs)
	For the year ended 31.03.1999	For the year ended 31.03.1998
Gross Operating Revenue & Other Income	12297.97	12801.72
Profit before Tax	307.78	440.08
Provision for Taxation	87.00	46.21
Profit after Tax	220.78	393.87
Add (Less) : Prior period adjustments	3.84	36.28
	224.62	430.15
Add: Balance brought forward from previous year (Net of provision for Taxation)	2740.86	2646.58
profit available for appropriation	2965.48	3076.73
Appropriations :		
Proposed Dividend	140.75	140.75
Dividend Tax	14.07	14.07
Transferred to Debenture Redemption Reserve	—	151.51
Transferred to General Reserve	16.00	29.54
Surplus carried to Balance Sheet	2794.66	2740.86
	2965.48	3076.73

DIVIDENDS

The Directors have pleasure in recommending for the consideration of the Shareholders at the Annual General Meeting, payment of dividend of Rs.2/- per share same as in previous year, amounting to Rs.141 Lacs for the year ended 31st March, 1999. The dividend will be paid proportionately on the partly paid shares on the amount paid up.

OPERATING RESULTS

Your Company's turnover for the year amounted to Rs.12298 Lacs as compared to Rs.12802 Lacs of last year. Earnings before Depreciation and Taxation amounted to Rs.720 Lacs (Rs.897 Lacs) and the profit before tax stood at Rs.307 Lacs (Rs.440 Lacs). Provision for taxation amounts to Rs.87 Lacs and the tax on proposed dividend amounts to Rs.14 Lacs.