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# TATA INVESTMENT CORPORATION LIMITED

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SIXTY-FIRST

*Annual Report*

1997-98



## TATA INVESTMENT CORPORATION LIMITED

### NOTICE

THE SIXTY-FIRST ANNUAL GENERAL MEETING OF TATA INVESTMENT CORPORATION LIMITED will be held at Bombay House Auditorium, Homi Mody Street, Fort, Mumbai 400 001, on Thursday, the 24th day of September, 1998, at 4.00 p.m. to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Profit and Loss Account for the year ended 31st March, 1998, and the Balance Sheet as at that date.
2. To declare a dividend on Ordinary Shares.
3. To appoint a Director in the place of Mr. Pratap Bhogilal, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in the place of Mr. V. C. Vaidya, who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in the place of Mr. N. A. Soonawala, who retires by rotation and is eligible for re-appointment.
6. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :-

"RESOLVED that pursuant to Sections 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves of the re-appointment and terms of remuneration of Mr. M.J. Kotwal, Manager of the Company in the salary scale applicable to Mr. Kotwal with authority to the Board of Directors to fix his salary and to grant annual increments within that scale, increasing thereby proportionately, all benefits related to the quantum of salary, for a period of five years with effect from 1st April, 1999, upon the terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) set out in the draft Agreement submitted to this Meeting and for identification signed by a Director thereof, which Agreement is hereby specifically sanctioned with liberty to the Directors to alter and vary the terms and conditions of the said re-appointment and/or Agreement in such manner as may be agreed to between the Directors and Mr. Kotwal."

7. To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution :—

"RESOLVED that pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered in the following manner:

(A) Insert the following Article as Article 14A after Article 14 :

Buy-back of Shares      14A Notwithstanding anything contained in these Articles, in the event it is permitted by law for a company to purchase its own shares or securities, the Board of Directors may, when and if thought fit, buy back such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approvals, as may be permitted by law.

(B) Insert the following Heading and Article as Article 73A after Article 73 :

#### Dematerialisation of Securities

Definitions      73A(1) For the purpose of this Article :—

'Beneficial Owner' means a person or persons whose name is recorded as such with a depository;

'SEBI' means the Securities & Exchange Board of India;

'Depository' means a company formed and registered under the Companies Act, 1956, and which has been granted a Certificate of Registration to act as a depository under the Securities & Exchange Board of India Act, 1992;

'Security' means such security as may be specified by SEBI from time to time.

Dematerialisation of Securities      (2) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.

Option for Investors      (3) Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates of Securities. If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

Securities in Depositories to be in fungible form      (4) All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

Rights of Depositories and Beneficial Owners      (5) (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.

(b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights in respect of the securities held by it.

(c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

Service of Documents      (6) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

Transfer of Securities	(7) Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.
Allotment of Securities dealt with in a Depository	(8) Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
Distinctive numbers of Securities held in a Depository	(9) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.
Register and Index of Beneficial Owners	(10) The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles

(C) Article 196 be deleted with effect from 1st April, 1998."

8. To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution :-

"RESOLVED that if and when permitted by the law and subject to all applicable provisions of the law and subject to such consents and such other approvals, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee thereof, for the time being exercising the powers conferred on the Board by this Resolution), or as may be prescribed or imposed while granting such consents and approvals, which may be agreed to or accepted by the Board, the consent of the Company be and is hereby accorded to the Board, to purchase such number of Ordinary Shares or other Securities specified by the Government, of the Company, as may be thought fit, from the holders of the Ordinary Shares or other Securities of the Company in such proportion and manner as may be permitted by the law, not exceeding such percentage of the capital of the Company as may be permitted by the law from such funds of the Company as are permitted to be used for this purpose or out of the proceeds of any issue made by the Company, on such terms and subject to such conditions as may be prescribed by the law.

RESOLVED FURTHER that for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts and things and give such directions as may be necessary or desirable and to settle all questions or difficulties whatsoever that may arise with regard to the said purchase of Ordinary Shares or other Securities.

RESOLVED FURTHER that nothing hereinabove contained shall confer any right on any member to offer or any obligation on the Company or the Board to buy back any Ordinary Shares or other Securities."

9. To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution :-

"RESOLVED that in accordance with the provisions of Section 81 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof) and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution), or as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to or accepted by the Board in its sole discretion, the consent of the Company be and is hereby accorded to the Board to create, offer, issue, allocate or allot, in one or more tranches, to such persons who are, in the sole discretion of Board, in the permanent employment of the Company, such number of Ordinary Shares of the Company of the face value of Rs.10/- each, not exceeding such percentage of the capital of the Company as may be permitted by the law, as the Board may deem fit, for subscription for cash or allocated as an option to subscribe, on such terms and at such price as may be fixed and determined by the Board prior to the issue and offer thereof in accordance with the applicable guidelines and provisions of law and otherwise ranking *pari passu* with the Ordinary Shares of the Company as then issued and in existence and on such other terms and conditions and at such time or times as the Board may, in its absolute discretion and in the best interest of the Company deem fit; Provided that the aforesaid issue of Ordinary Shares may instead be in the form of fully or partly Convertible Debentures, Bonds, Warrants or other securities as may be permitted by the law, from time to time.

RESOLVED FURTHER that the Board be and is hereby authorised to issue, allocate and allot such number of Ordinary Shares as may be required in pursuance of the above issue, and that the Ordinary Shares so issued, allocated or allotted shall rank in all respects *pari passu* with the existing Ordinary Shares of the Company save and except that such Ordinary Shares which may be with or without voting rights, if permitted by the law, shall carry the right to receive either the full dividend or a pro-rata dividend from the date of allotment, as may be decided by the Board, declared for the financial year in which the allotment of the Shares shall become effective.

RESOLVED FURTHER that the consent of the Company be and is hereby granted in terms of Section 293(1) (a) and other applicable provisions, if any, of the Companies Act, 1956, and subject to all necessary approvals to the Board to secure, if necessary, all or any of the abovementioned securities to be issued, by the creation of mortgages and/or charges on all or any of the Company's immoveable and/or movable assets, both present and future in such form and manner and on such terms as may be deemed fit and appropriate by the Board.

RESOLVED FURTHER that for the purpose of giving effect to the above, the Board be and is hereby authorised to determine the form and terms of the Issue, the Issue price and all other terms and matters connected therewith including the creation of mortgages and/or charges and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues and to settle any questions or difficulties that may arise in regard to the Issue."

10. To appoint Auditors and to fix their remuneration.

**NOTES :**

- (a) The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the business under item Nos. 6 to 9 set out above are annexed hereto.
- (b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- (c) The Register of Members and the Transfer Books of the Company will be closed from Friday, the 18th September, 1998 to Thursday, the 24th September, 1998, both days inclusive.
- (d) If dividend on shares as recommended by the Directors is approved at the Meeting, payment will be made on or after Friday, the 25th September, 1998, to those Members whose names are on the Company's Register of Members on Thursday, the 24th September, 1998.
- (e) In accordance with the provisions of Rule 4A of the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978, members are informed that the Unpaid Dividend for the year ended 31st March, 1995, shall be transferred by the Company to the General Revenue Account of the Government of India by 15th September, 1998. Those shareholders who have not yet encashed their dividend warrants for the year ended 31st March, 1995 may contact Tata Share Registry Limited, for claiming such dividend before the same is transferred to the Government.

By Order of the Board of Directors,  
TATA INVESTMENT CORPORATION LIMITED,

Mumbai, 23rd June, 1998.

**M. J. KOTWAL**  
Manager & Secretary.

**Registered Office:**

Ewart House, Horni Mody Street,  
Fort, Mumbai 400 001.

**EXPLANATORY STATEMENT**

As required by Section 173 of the Companies Act, 1956, the following Explanatory Statement set out all material facts relating to the special business mentioned in Item Nos. 6 to 9 of the accompanying Notice dated 23rd June, 1998.

**Item No. 6 :** At the Annual General Meetings held on 17th August, 1993 and 19th August, 1994, members had approved the re-appointment of Mr. M.J. Kotwal as the Manager of the Company for a period of five years with effect from 1st April, 1994, on certain terms and conditions. Mr. Kotwal has been functioning as the Manager & Secretary of the Company. The Board at its meeting held on 23rd June, 1998, has re-appointed Mr. Kotwal as the Manager of the Company for a further period of five years from 1st April, 1999, subject to the approval of the shareholders, on the terms and conditions which are in conformity with the limits laid down in Schedule XIII of the Companies Act, 1956.

Mr. M.J. Kotwal is a Law Graduate from the University of Bombay and a Fellow Member of The Institute of Company Secretaries of India, New Delhi. He has wide experience in Secretarial, Legal and Administrative matters and the Board, therefore, considers it desirable that he be re-appointed the Manager of the Company.

The draft agreement between the Company and Mr. Kotwal contains the following main terms and conditions :—

Mr. Kotwal, Manager & Secretary shall, subject to the supervision and control of the Board of Directors be entrusted with certain powers of management of the affairs of the Company and shall also perform such other duties as may, from time to time, be entrusted to him.

**(1) PERIOD OF AGREEMENT**

5 years with effect from 1st April, 1999.

**(2) REMUNERATION**

(a) **Salary** in the scale of Rs. 18,000 to Rs. 50,000 per month with authority to the Board to fix the salary and to grant annual increments within the scale from time to time. The annual increments which will be effective 1st April each year will be merit based and take into account the Company's performance.

**(b) Annual Performance Bonus :**

Such remuneration by way of annual performance bonus, in addition to the salary and perquisites and allowances payable, as may be determined by the Board of Directors of the Company at the end of each financial year, subject to the overall ceilings stipulated in Sections 198 and 309 of the Act. The specific amount payable to the Manager will be limited to 2 years of his annual salary, to be determined by the Board at the end of each financial year and will be based on certain performance criteria to be laid down by the Board and will be payable annually after the annual accounts have been approved by the Board of Directors and adopted by the Members.

**(c) Perquisites and Allowances :**

(i) In addition to the salary and annual performance bonus payable, the Manager shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance, together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs; medical reimbursement; club fees and leave travel concession for himself and his family; medical/ accident insurance, servants salaries, society charges and property-tax and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr. Kotwal; such perquisites and allowances will each year be subject to a maximum of 125% of his annual salary.

(ii) For the purposes of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.

Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites and allowances for the purpose of calculating the said ceiling.

(iii) Company's contribution to Provident Fund and Superannuation or Annuity Fund, to the extent these either singly or together are not taxable under the Income Tax Act, gratuity payable as per the rules of the Company and



encashment of leave at the end of the tenure, shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

(d) *Minimum Remuneration :*

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Manager, the Company has no profits or its profits are inadequate, the Company will pay the remuneration as specified above.

- (3) The terms and conditions of the said re-appointment and/or Agreement may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, within the maximum amount payable to the Manager in accordance with Schedule XIII to the Act or any amendments made hereafter in this regard.
- (4) The Agreement may be terminated by either party giving the other party three months' notice or the Company paying three months' salary in lieu thereof.
- (5) In compliance with the provisions of Sections 269 and 309 of the Act, the terms of remuneration specified above are now being placed before the Members in General Meeting for their approval.
- (6) The draft Agreement between the Company and Mr. Kotwal is available for inspection by the Members of the Company at its Registered Office between 11.00 a.m. and 1.00 p.m. on any working day of the Company.
- (7) This may be treated as an abstract of the draft Agreement between the Company and Mr. Kotwal pursuant to Section 302 of the Act.

**Item No.7 :** (a) Presently, the Companies Act, 1956 and Article 14 of the Articles of Association of the Company prohibit the Company from buying its own shares. It is proposed to introduce a new Article 14A in the Articles of Association as set out in the Resolution at Item No.7 to enable the Company to purchase its own shares and/or securities, in the event it is permissible by the law.

(b) With the introduction of the Depositories Act, 1996, and the Depository System, some of the provisions of the Act relating to the issue, holding, transfer, transmission of shares and other securities have been amended to facilitate the implementation of the new system. The Depository System of holding Securities in an electronic form is a far safer and more convenient method of holding and trading in the Securities of a company. It is, therefore, proposed that the Company's Articles of Association be suitably altered, as set out in Resolution at Item No.7 to reflect the provisions introduced by the Depositories Act, 1996 and to spell out the rights of the beneficial owners of the Securities in such a system.

(c) Article 196 of the Articles of Association of the Company *inter alia* provides that the net surplus/deficit on sale of or realisation of investments and the provisions for capital gains tax thereon is taken to the Capital Reserve Account, except in respect of those capital gains or losses realised on sale of shares within a period of two years from the date of acquisition.

The Standard of Accounting for Investments Issued by The Institute of Chartered Accountants of India lays down that all profits/losses on sale of investments have to be routed through the Profit & Loss Account. Moreover, the introduction of the Depository System and the de-materialisation of shares will make it difficult to distinguish and identify different lots of securities at the time of sale. Article 196 is therefore no longer relevant; hence it is proposed to delete this Article with effect from 1st April, 1998.

The Board commends the above enabling Resolution for acceptance by the Members.

A copy of the Memorandum and Articles of Association of the Company together with the proposed alterations is available for inspection by the Members of the Company at its Registered Office between 11 a.m. and 1 p.m. on any working day of the Company.

**Item No. 8 :** The Companies Act, 1956, presently prohibits a company from purchasing its own shares and securities. However, it is anticipated that the law may in future permit a company to buy back its own securities (buy-back of securities).

Subject to the buy-back of securities being legally permissible, it is proposed to enable the Company to buy back its Ordinary Shares or such other permissible securities, not exceeding such percentage of the capital of the Company as may be permitted by the law from the Members of the Company, from the open market or from the holders of odd lots, or from the holders of the Ordinary Shares that may be issued under the Employees' Stock Option Scheme or as permitted by the law. The buy-back of Ordinary Shares or Securities would be at the rate and from the funds permitted by the law as set out in the Resolution.

The Resolution, if approved, will be operative for and will be given effect to within a period of 15 months from the date of passing the Resolution or such other time limit laid down by the law.

The Directors commend the above enabling Resolution for acceptance by the Members.

**Item No. 9 :** To meet the challenges of the ever increasing competition in the business environment and to attract and retain qualified, experienced, talented and competent employees by fostering a sense of belonging amongst them, it is proposed to empower the Board to introduce a 'Stock Option Scheme' to such persons who are, in the sole discretion of the Board, in the Company's permanent employment. The Stock Option Scheme would be framed in accordance with the provisions of law and the prevailing guidelines issued by Securities and Exchange Board of India as modified from time to time as set out in the Resolution and will not exceed an issue/allocation of shares/options representing such percentage of the Company's capital as may be permitted by the law.

Section 81 of the Act, provides, *inter alia*, that whenever it is proposed to increase the Subscribed Capital of a Company by the allotment of further shares, such further shares shall be offered to the existing Members of the Company in the manner laid down in the said Section unless the Members in General Meeting decide otherwise. The consent of the Members is, therefore, sought to authorise the Board of Directors to issue the Ordinary Shares or other Securities in the manner set out in the Resolution at Item No. 9.

The Board commends the above enabling Resolution for acceptance.

By Order of the Board of Directors,  
TATA INVESTMENT CORPORATION LIMITED,

Mumbai, 23rd June, 1998.

Registered Office:

Ewart House, Homi Mody Street,  
Fort, Mumbai 400 001.

**M. J. KOTWAL**  
Manager & Secretary

Annual General Meeting on Thursday, 24th September, 1998  
at Bombay House Auditorium at 4.00 p.m.

# TATA INVESTMENT CORPORATION LIMITED

## Sixty-first Annual Report

1997-98

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### BOARD OF DIRECTORS :

**F. A. Mehta** (*Chairman*)  
**Pratap Bhogilal**  
**P. S. Mistry**  
**Jaykrishna Harivallabhdas**  
**V. C. Vaidya**  
**N. A. Soonawala**  
**B. L. Paranjape**  
**A. B. K. Dubash**  
**K. N. Suntook**

### Manager & Secretary :

M. J. Kotwal

### Bankers :

Bank of Baroda  
 Bank of India  
 Catholic Syrian Bank  
 Central Bank of India  
 Union Bank of India  
 Hatton National Bank Ltd., Colombo

### Auditors :

Messrs A. F. Ferguson & Co.  
 Chartered Accountants.

### Solicitors :

Messrs Mulla & Mulla and Craigie, Blunt & Caroe  
 S. R. Vakil

### Registered Office :

Ewart House, 22, Homi Mody Street, Fort,  
 Mumbai 400 001.

### Registrars & Share Transfer Agents :

Tata Share Registry Ltd.,  
 Shalaka, 1st Floor,  
 Near Cooperage Telephone Exchange,  
 Maharshi Karve Road,  
 Mumbai 400 021.

## TATA INVESTMENT CORPORATION LIMITED

## DIRECTORS' REPORT

TO

THE MEMBERS,

The Directors present their Sixty-first Annual Report with the Audited Statement of Accounts for the year ended 31st March, 1998.

## 2. FINANCIAL RESULTS

	Rupees (in lacs)	Previous Year Rupees (in lacs)
Total Income .....	2716.28	2835.32
Profit before tax .....	2152.30	2433.39
Less: Provision for tax .....	146.32	451.66
Profit after tax .....	2005.98	1981.73
Less: Amount carried to Capital Reserve .....	181.60	493.36
	1824.38	1488.37
Add: Amount transferred from Investment Reserve .....	280.00	—
Balance brought forward from the previous year .....	233.46	247.84
Amount available for appropriation .....	2337.84	1736.21
The Directors have made the following appropriations:		
Proposed Dividend .....	559.41	550.68
Tax on proposed Dividend .....	55.94	55.07
Investment Reserve .....	—	200.00
Reserve Fund .....	402.00	397.00
General Reserve .....	1000.00	300.00
	2017.35	1502.75
leaving a balance to be carried forward of .....	320.49	233.46

3. The Directors recommend the payment of dividend of Rs. 4.50 per share, subject to deduction of tax at source on 1,24,31,305 Ordinary Shares for the year ended 31st March, 1998 (previous year: 35% plus 10% as Diamond Jubilee Dividend on 1,22,37,419 Ordinary Shares).

559.41      550.68

4. The accounts includes the merger of the Company's 86% owned subsidiary Investa Ltd. with the Company which was effective from 1st April, 1997.

31.3.1998      31.3.1997  
(Rs. in crores)

## DIVIDEND ON ORDINARY SHARES

5. The Directors recommend a dividend of Rs.4.50 per share on the increased paid-up share capital of the Company (previous year: 35% plus 10% Diamond Jubilee Dividend) subject to deduction of tax. This dividend will also be payable to the erstwhile shareholders of Investa Ltd.

## Book value

Quoted investments	140.89	103.80
Unquoted investments	32.76	22.39
Subsidiary Company	—	9.73
	173.65	135.92
Less: Long term diminution in value of investments	2.81	—
	170.84	135.92

## OPERATING RESULTS

6. The total income during the year was Rs.27.16 crores against Rs.28.35 crores in the previous financial year. The total expenditure during the year was Rs.5.64 crores against Rs.4.02 crores in the previous year, the increase being due to the provision for diminution in value of certain long term investments (Rs.2.81 crores) and of shares held as stock-in-trade in respect of the OTC division (Rs.0.57 crores), as required under the accounting standards. These provisions represent less than 1% of the total market value of the Company's investment portfolio.

## Market value

(Quoted investments only)	414.66	394.79
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7. The profit before tax during the year was Rs.21.52 crores against Rs.24.33 crores last year. The profit after tax was Rs.20.06 crores against Rs.19.82 crores in the previous year, representing an earnings per share of Rs.16.14. The net surplus on sale or realisation of certain investments and other capital assets, net of diminution in the value of long term investments amounting to Rs.1.82 crores has been thereafter carried to the Capital Reserve Account.

9. The market value has not increased proportionately in relation to the book value of investments and reflects the general trend of prices on the stock market. Apart from the investments which came into the Company with the merger of Investa Ltd., conscious efforts are being made to reduce the large number of investments.

10. The Directors confirm that all investments held by the Company and shown under "Investments" in the Balance Sheet are long term investments to be held for more than one year from the date of acquisition. Unless otherwise decided in specific cases, all investments made in future will also be categorised as long term investments.

## INVESTMENT PORTFOLIO

8. A summarised position of the Company's portfolio of investments on 31st March, 1998, as compared to that at the end of the previous year, is given below :-

## OTC EXCHANGE OF INDIA

11. Although, the Company continues to be a Member of the OTC Exchange of India (OTCEI), owing to the depressed OTCEI market conditions, there has been no significant income in respect of the OTC operations during the year. The Company has, with effect from 1st April, 1998, ceased to be the Compulsory Market Maker in respect of the 4