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YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		

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28TH ANNUAL REPORT 1997-98



LOYD'S STEEL  
INDUSTRIES LIMITED

**Wardha Steel Plant  
and  
Murbad Engineering Plant  
ISO 9002  
Certified**

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# BOARD OF DIRECTORS



## CHAIRMAN

R.N.GUPTA

## VICE CHAIRMAN

MUKESH R. GUPTA

## MANAGING DIRECTOR

RAJESH R GUPTA

## DIRECTORS

S.R.VENGSAKER  
(NOMINEE - ICICI)  
V.R.MEHTA  
(NOMINEE - IFCI)  
K.P. GUPTA  
(NOMINEE - SICOM)  
N.N.JOSHI  
(NOMINEE - LIC)  
R.JAYARAMAN IYER  
(NOMINEE - IDBI)

B.L.AGARWAL  
S.SAMARAPUNGAVAN  
D.D.DAMODAR  
P.P.CHITALE  
S.GOVINDARAJ  
R.NARAYANAN  
P.C.SONI

## COMPANY SECRETARY

S.N.TIWARI

## EXECUTIVES

### CORPORATE OFFICE

M.B.KANODIA  
DR.B.R.SINGH  
R.N.VYAS  
RAJESH CHANDRA  
J.S.BASRUR  
SUNDER RAJAN

EXECUTIVE DIRECTOR  
EXECUTIVE DIRECTOR (HRD & TQM)  
CHIEF EXECUTIVE (FINANCE)  
PRESIDENT (CORP AFFAIRS)  
CHIEF FINANCE CONTROLLER  
GENERAL MANAGER (CORPORATE COMMN)

### STEEL DIVISION

M.S.MEHTA  
S.N.SINGH  
P.CHELLAPA  
DR.R.K.P.SINGH  
R.S.THAKUR  
ASHOK KAPOOR

EXECUTIVE DIRECTOR (COMMERCIAL)  
EXECUTIVE VICE-PRESIDENT (OPERATIONS)  
GENERAL MANAGER (MARKETING)  
GENERAL MANAGER (QUALITY CONTROL & R & D)  
GENERAL MANAGER (PERSONNEL & ADMIN.)  
GENERAL MANAGER (COLD ROLLING MILL)

### ENGINEERING DIVISION

ASHOK TANDON  
N.V.BHAT  
P.N.JAISWAL  
V.CHINNAIAH  
K.A.CORREA  
M.V.RABADE  
P.R.RAVI GANESAN

EXECUTIVE VICE PRESIDENT  
VICE-PRESIDENT (MARKETING)  
VICE-PRESIDENT (PROJECTS)  
VICE PRESIDENT (WORKS)  
GENERAL MANAGER (STEEL PLANT EQUIPMENT)  
GENERAL MANAGER (POWER PLANT)  
GENERAL MANAGER (COMMERCIAL)



### **BANKERS**

CENTRAL BANK OF INDIA  
STATE BANK OF INDIA  
STATE BANK OF HYDERABAD  
CREDIT AGRICOLE INDOSUEZ  
THE FEDERAL BANK LIMITED  
PUNJAB NATIONAL BANK  
STATE BANK OF TRAVANCORE  
PUNJAB AND SIND BANK  
ABU DHABI COMMERCIAL BANK LTD.  
INDUSIND BANK LIMITED  
BANK OF INDIA  
THE BANK OF TOKYO MITSUBISHI LTD.  
GLOBAL TRUST BANK LTD.

### **AUDITORS**

LAKHANI & CHADHA  
(CHARTERED ACCOUNTANTS)

### **LEGAL ADVISORS**

KANGA & COMPANY  
(SOLICITORS & ADVOCATES)

### **REGD. OFFICE**

'LLOYDS HOUSE',  
954, APPASAHEB MARATHE MARG  
PRABHADEVI, MUMBAI - 400 025.

### **OPERATIONS-(STEEL DIVISION)**

'LLOYDS HOUSE',  
954, APPASAHEB MARATHE MARG  
PRABHADEVI, MUMBAI - 400 025.

### **OPERATIONS-(ENGG. DIVISION)**

'LLOYDS HOUSE',  
954, APPASAHEB MARATHE MARG  
PRABHADEVI, MUMBAI - 400 025.

### **WORKS - STEEL DIVISION**

LLOYDS NAGAR, BHUGAON LINK  
ROAD, WARDHA - 442 001

### **WORKS - ENGG. DIVISION**

PLOT NO.A-5/5, A-6/3,  
M.I.D.C. INDUSTRIAL AREA,  
MURBAD, DIST THANE.

### **REGIONAL OFFICES**

CALCUTTA, HYDERABAD,  
MUMBAI AND NEW DELHI.

### **REGISTRARS & TRANSFER AGENT**

LLOYDS CAPITAL SERVICES LTD.,  
VTM BUILDING, 3RD FLOOR,  
MEHRA COMPOUND, OPP. ORKAY  
MILLS, SAKI NAKA, ANDHERI (E),  
MUMBAI - 400 072.

Tel : 851 4580 Fax : 851 4543



NOTICE is hereby given that the 28th Annual General Meeting of the Members of Lloyds Steel Industries Limited will be held at Y.B.Chavan Auditorium, Y.B.Chavan Centre, Gen. J. Bhosale Marg, Near Sachivalaya Gymkhana, Mumbai - 400 021, on Thursday, the 24th day of September, 1998 at 3.00 p.m. to transact the following business :-

#### ORDINARY BUSINESS :

1. To consider, approve and adopt the Profit and Loss Account of the Company for the year ended on 31st March, 1998 and the Balance Sheet as on that date, together with the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Shri Mukesh R. Gupta who retires by rotation, and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri S. Samarapungavan who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri D.D. Damodar who retires by rotation, and being eligible, offers himself for reappointment.
5. To appoint Auditors who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT M/s.Lakhani & Chadha, Chartered Accountants, be and are hereby appointed Auditors of the Company from the conclusion of this Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors, exclusive of travelling and other out of pocket expenses."

#### SPECIAL BUSINESS :

##### 6. Alteration of Articles of Association

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

"RESOLVED that the Articles of Association of the Company be altered in the following manner:

- a) The definition of the term "**Member**" in the existing Article 2(1) of the Articles of Association be substituted by the following definition, namely:

"**Member**" means a member as defined under Section 41 of the Depositories Act, 1996.

- b) The existing Article 2(1) of the Articles of Association be altered by inserting the following new clauses:

"**Beneficial Owner**" shall mean the beneficial owner as defined in Clause (a) of Sub-Section (1) of Section 2 of the Depositories Act, 1996.

"**Depositories Act, 1996**" shall include any statutory modifications or re-enactment thereof.

"**Depository**" shall mean a Depository as defined under Clause (e) of Subsection (1) of Section 2 of the Depositories Act, 1996.

- c) The existing Article 11 of the Articles of Association be substituted by the following article, namely:

##### ARTICLE 11

The Company shall keep a Register and Index of Members in accordance with Section 150, 151 and 152A of the Act and the details of the members holding shares both in material and dematerialised form in any media as permitted by law including electronic media. The Company shall also be entitled to keep in any state or country outside India a Branch Register of Members resident in that state or country.-

- d) The existing Article 12 of the Articles of Association be renumbered as Article 12 (a) and the following Article 12(b) be inserted immediately thereafter.

##### ARTICLE 12(b)

Nothing contained in Sub-clause (a) above, shall apply to shares held in the Depository form.

- e) The existing Article 13(c) be renumbered as Article 13(d) and the following Article 13(c) be inserted immediately before Article 13(d).

##### ARTICLE 13(c)

The Company shall be entitled to dematerialise its shares, debentures and other securities pursuant to the Depositories Act, 1996 and to offer its shares, debentures and other securities for subscription in a dematerialised form.

- f) The existing Article 20 be amended by inserting the following Article 20(k) immediately after the existing Article 20(j).

##### ARTICLE 20(k)

Nothing contained in clause (a) to (i) of Article 20 shall apply to the shares held in the Depository form.

- g) The existing Article 22 of the Articles of Association be renumbered as Article 22(a) and the following Article 22(b) be inserted immediately thereafter.

**ARTICLE 22(b)**

Nothing contained in Section 187(C) of the Companies Act, 1956 shall apply to a transfer of security effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of a depository.

- h). The following Article 53(a) be inserted immediately after the existing Article 53:

**ARTICLE 53(a)**

Notwithstanding anything contained in the Articles of Association, in the case of transfer of shares and other marketable securities, where the Company has not issued any certificates and where such shares or securities are being held in an electronic and fungible form, the provisions of the Depositories Act, 1996 shall apply.

- i). The existing Article 73 of the Articles of Association be substituted by the following article, namely :

**ARTICLE 73**

The Company shall, if at any time issues debentures, keep a Register and Index of debentureholders in accordance with Section 152 and 152A of the Act and the details of the members holding debentures both in material and dematerialised form in any media as permitted by law including electronic media. The Company shall also be entitled to keep in any state or country outside India a Branch Register of Debenture-holders resident in that state or country.

**Notes :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER.
2. Proxy Form and Attendance Slip are enclosed. Proxies, in order to be valid, must reach the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, the 11th day of September, 1998 to Thursday, the 24th day of September, 1998 (both days inclusive).
4. Pursuant to Section 205A of the Companies Act, 1956 all unclaimed dividend upto financial year ended 31st March, 1994 have been transferred to the General Revenue Account of the Central Government. Members who have not encashed their dividend warrants for the said period are requested to claim the amount from the Registrar of Companies, Maharashtra, Hakoba Mill Compound, 2nd Floor, Dattaram Lad Path, Kalachowkie, Mumbai - 400 033. The unclaimed dividends for the financial year ended 31st March, 1995 will be transferred to General Revenue Account of the Central Government during the current year and the Company has already sent individual reminders to the members at their last recorded address, for encashing the dividend warrants for the same.
5. Members desiring any information as regards to Accounts are requested to write 7 days in advance to the Company before the date of meeting to enable the Management to keep full information ready.
6. Members who have multiple accounts in identical names or joint accounts in the same order are requested to send all the Share Certificate(s) to the Registrars & Transfer Agent, M/s. Lloyds Capital Services Limited for consolidation of all such Shareholdings into one account to facilitate better services.
7. The relative explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in regard to special business set out in item No.6 is annexed hereto.

**EXPLANATORY STATEMENT - pursuant to Section 173(2) of the Companies Act, 1956****Item No. 6**

With the enactment of Depositories Act, 1996, some of the provisions of the Companies Act, 1956 and the Securities and Contracts (Regulation) Act, 1956 concerning the issue, holding and transfer of shares have been amended so as to facilitate the Depository System. The Articles of Association of the Company have to be amended as proposed in the Resolution to be in line with the necessary provisions of the Depositories Act, 1996 to enable the Company to participate in the Depository facility for the trading in its shares.

As per the provisions of the Companies Act, 1956, amendments to the Articles of Association require the approval by a special resolution of the shareholders in the General Meeting.

Given the foregoing, the resolution set out in the notice is commended for the approval of the shareholders.

The amended Articles of Association, as referred in the resolution is open for inspection at the Registered Office of the Company from 11.00 a.m. to 1.00 p.m. on all the working days of the Company till the date of Annual General Meeting.

None of the directors of the Company is concerned or interested in the said resolution.

By Order of the Board

Place : Mumbai  
Dated : 26th June, 1998

**S.N.Tiwari**  
Company Secretary



# DIRECTORS' REPORT



The Directors are pleased to present their Twenty Eighth Annual Report on the business and operations of your Company and Audited Statement of Accounts for the year ended 31st March, 1998.

## FINANCIAL HIGHLIGHTS

### Sales :

Engineering Division  
(including job work)

Steel Division

### Other Income

### Total Income :

Profit before Interest and Depreciation

Less : Finance Charges

Gross Profit

Less : Depreciation

Profit before Tax

Less : Tax Provision

Profit After Tax

Less : Capital Expenditure Written off

### NET PROFIT

Add : Excess Provision for Depreciation  
of earlier year Written back

Less : Short Provision of Dividend  
in previous year

Balance b/f from previous year

Balance available for appropriation

### Appropriations :

Debenture Redemption Reserve

Balance Carried Forward

	Current Year 1997-98 (Rs.in Lacs)	Previous Year 1996-97 (Rs.in Lacs)
	<b>28633.51</b>	31454.33
	<b>97605.53</b>	94664.15
	<b>126239.04</b>	126118.48
	<b>1167.19</b>	625.68
	<b>127406.23</b>	126744.16
	<b>13996.11</b>	22241.52
	<b>13767.25</b>	14508.44
	<b>228.86</b>	7733.08
	<b>6110.77</b>	7651.29
	<b>(5881.91)</b>	81.79
	<b>3.50</b>	17.00
	<b>(5885.41)</b>	64.79
	<b>110.95</b>	—
	<b>(5996.36)</b>	64.79
	<b>2154.19</b>	28.62
	<b>—</b>	(1.71)
	<b>(3842.17)</b>	91.70
	<b>5206.36</b>	5745.66
	<b>1364.19</b>	5837.36
	<b>220.00</b>	631.00
	<b>1144.19</b>	5206.36
	<b>1364.19</b>	5837.36





## DIVIDEND

In view of the loss the Directors have not recommended any Dividend for the year ended 31st March, 1998.

## TOTAL INCOME

The Total Income of the Company has shown a marginal increase to Rs.1274.06 crores from Rs.1267.44 crores in the previous year.

## PROFITABILITY

The PBID for the year under report declined to Rs. 139.96 crores showing a decrease of 37.07% over the previous year's figure of Rs.222.41 crores.

The prevailing sluggishness in the Steel Industry for the last couple of years caused by lack of infrastructure projects and a general downturn in the user industries like automobiles, coupled with imports at cheap rates, hampered all efforts at improvement in the realisations. The market competition further increased with the entry of new players creating a demand supply mismatch.

The lower operating profit contributed to lower Cash Profit of Rs.2.29 crores during the year compared with Rs.77.33 crores during the preceding year. After providing depreciation of Rs.61.11 crores there is a Net Loss of Rs. 59.96 crores compared with a marginal Net Profit of Rs.0.65 crores in the previous year.

## OPERATIONS

### Engineering Division

During the year under review, the Division has recorded a turnover of Rs.286.34 crores as compared to previous year of Rs.314.54 crores.

The Division during the year has successfully commissioned major projects, such as Kerosene Recovery Unit for ONGC at Hazira and Phosphoric Acid Storage Facility for Indo-Jordan Chemicals Co.Ltd., at Jordan.

The Equipment Group for Steel Plants has completed the fabrication of equipments for Cold Rolling Mill (CRM-II). In addition to this, most of the equipments of the "ongoing projects" have been delivered.

The leading Engineering Consultants, Engineers India Limited, have reposed confidence by including the Division in their approved vendor list for sourcing of critical and more specialized capital goods.

The order position at the year end stands at Rs. 212 crores, as compared to Rs.220 crores in the previous year.

### Steel Division

The year 1997-98 began on a positive note with demand recovery and an upward trend in the international steel prices but soon the trend was reversed. The crisis in the Far East and South East Asia caused untold damage to our economy. The relatively steady rupee and continuous and sharp fall in all the other Asian currencies led to difficult circumstances for the Indian industry. The Far East and South East Asian countries dropped their prices commensurate with the fall in their currency and during 1997-98 we saw the phenomenon of dumping of steel at ridiculously low prices by South Korea in addition to CIS countries. Simultaneously Indian exports to these countries slowed down and price realisation in rest of the World came down in trying to be competitive with the export originating from these countries.

Reduction in the duty of cold rolled coils was a major blow to the cold rolling industry and it has resulted in unwarranted and unprecedented import of cold rolled products.

The local demand also slowed down drastically in the second half of the year particularly affected by the sharp fall in the output of automobile industry.

While the Cold Rolled and Galvanised Coils/Sheets production was 101656 MTs, the Division has recorded Hot Rolled Coil production of 275341 MTs during the year.

During the year Company's exports were Rs.60.74 crores as against Rs. 21.37 crores, a growth of 184%. This is a reflection of a resolve taken by the Company last year to focus on exports.

## PROJECTS

### Engineering Division

The balancing equipment which were commissioned in the year 1995-96 have been upgraded by adding sophisticated control tools, such as DRO for Boring machine, Rotary Table, Flare Plate and Auto Cad for improvising quality and productivity.

### Steel Division

The Cold Rolling Mill - II (CRM-II) project has commenced trial runs during the year. With a view to achieve value addition and to cater to the market demand for speciality products, balancing facilities have been set up in Steel Melting Shop, Hot Rolling Mill, and Galvanised Plain/Corrugated (GP/GC) plants during the year.

Work on the installation of 80 MW Captive Power Plant at Wardha is in full swing and the power plant, once fully established, will enable the Company to avoid the uncertainties of power supply and periodic tariff increases in the supply of Electric power by MSEB.

## RESEARCH AND DEVELOPMENT

The Company undertakes on a continuous basis, various activities such as the development of new products and processes, cost reduction, improvement in quality and productivity and import substitution.





## CURRENT YEAR OUTLOOK

### Engineering Division

As stagnation in the Engineering Sector continued to be prominent due to industrial sluggishness and slow down of the economy, the current year appears to be even less promising as compared to the earlier years. The margins in the industry have shrunk posing a formidable challenge.

The Murbad plant of the Company has been recommended for the issue of ISO 9001 certificate from M/s.SGS Yarsley ICS Ltd, UK which indicates that the quality standards laid down by SGS are followed by the Murbad factory.

### Steel Division

The Company has taken several effective steps to increase the operational efficiency at its Plant. A diversified product portfolio consisting of Hot Rolled Coils, Hot Rolled Plates, Cold Rolled Coils and Galvanised Coils and Sheets gives the company a sharp competitive edge.

The Wardha plant has been accorded ISO 9002 certificate by M/s.SGS Yarsley ICS Ltd, UK which is an indication of the high quality standards followed by the Wardha plant.

The Company has made major headway in the export of galvanised sheets, and the recent correction in the rupee value will give further impetus to exports. The company sees exports as a major focus area, particularly in value added products - Galvanised Sheets and Coils. The product has been very well received in the international market and our customer countries include a host of developed and under developed countries.

Though the imposition of additional customs duty in the Finance Bill, 1998 will result in an increase in cost, the incentives given to housing and infrastructure are likely to benefit the demand for steel products within six months. The policy initiatives have unleashed major and lasting gains to the steel industry and the company is determined to capitalise on these benefits and emerge stronger and healthier in the near future.

## MACRO ECONOMIC ENVIRONMENT

In 1997-98, all segments of the economy again went through a difficult patch. The liquidity crunch continued. During 1997-98 overall steel demand growth was 1.5%. Growth in demand for flat products was 3.1% in sharp contrast to 9% in 1996-97 and 15% in 1995-96. It is apparent that the growth rate is decreasing. It may be noted here that all the long term estimates of steel demand growth have not materialised and to a certain extent it is also a major cause for imbalance in the demand and supply situation.

The policy makers have belatedly realised the need to safeguard the interests of the domestic industry and certain announcements in the recent budget are encouraging and will help in safeguarding the survival of domestic steel producers. The process of anti dumping investigations continues to be tardy unlike even in the most developed countries where anti dumping margins are levied as soon as a prima facie case is established. There is a need to immediately adapt our system to speed up processing of anti dumping investigation cases.

## INVESTOR SERVICES

The Company and its Registrars M/s. Lloyds Capital Services Limited endeavored their best to service the investor satisfactorily.

## EMPLOYEE RELATIONS

Employee/Industrial relations at all units and job sites remained cordial during the year under review. The Company has been taking continuous steps for training its employees in various disciplines including Shop Floor Management, Motivation, Total Quality Management etc. The Company has also organised Training workshops for the employees to upgrade their skills at all levels of operation.

## ENVIRONMENT & SOCIAL OBLIGATION

Our plants comply with all norms set up for clean and better environment by the competent authorities. Regular checks / inspections including certification are carried out for the maintenance of the environment, health and safety. Environmental protection and safety are major considerations in the working of the Company. The Company has adequate Effluent Treatment and Acid Regeneration Plants to prevent pollution.

The Company is continuously endeavouring to improve the quality of life in the communities surrounding its industrial complex.

## SUBSIDIARY OF THE COMPANY

The Report of the Directors of Lloyds Realty Limited, a wholly owned subsidiary of your Company and Statement of Accounts of the said subsidiary for the year ended on 31st March, 1998 together with the Auditor's Report thereon, form part of this report and are attached. A Statement pursuant to Section 212 of the Companies Act, 1956 is attached herewith.

## FIXED DEPOSITS

There were 643 unclaimed deposits aggregating to Rs. 7437000/- as on March 31, 1998 out of which 427 deposits amounting



to Rs. 5240000/- have been claimed and the balance still remain unclaimed as on date of this Report.

## DIRECTORS

Shri S.R.Vengsarker has been appointed as Nominee Director on the Board of the Company by The Industrial Credit and Investment Corporation of India Limited (ICICI) in place of Shri R.S. Mahudawala with effect from 26.3.1998 and Shri K.P.Gupte has been appointed as Nominee Director on the Board of the Company by SICOM Limited in place of Shri T.A.N.Devalkar with effect from 17.4.1998.

The Board places on record its sincere appreciation for the valuable contributions made by Shri Mahudawala and Shri Devalkar during their association with the Company.

The Directors take pleasure in welcoming Shri S.R. Vengsarker and Shri K.P. Gupte on the Board and are sure that your Company will be benefited immensely from their rich and varied experience.

Shri Mukesh R.Gupta, Shri. S.Samarapungavan and Shri D.D.Damodar, Directors of your Company, retire by rotation and being eligible, offer themselves for reappointment.

## AUDITORS & AUDITORS' REPORT

M/s. Lakhani & Chadha, Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. The Members are requested to appoint Auditors for the Current year and fix their remuneration.

The observations in the Auditors' Report read with notes under Schedule P, are self explanatory and require no further elaboration.

## PARTICULARS OF EMPLOYEES

As required by the provisions of Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are set out in the annexure to the Directors' Report. However, as per the provisions of Section 219 (1)(b)(iv) of the Companies Act, 1956, the report and the accounts are being sent to all the shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

Information in accordance with Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are set out in Annexure 'A' forming part of this report.

## PROJECTIONS V/S. PERFORMANCE PURSUANT TO CLAUSE 43 OF THE LISTING AGREEMENT.

The Performance of the Company during the year 1997-98 and the projections in its Letter of Offer dated February 29, 1996 for its Rights Issue of Equity Shares is as follows:

(Rs.in Lacs)		
Particulars	Projected	Actual
Total Income	104300.00	127406.23
Net Profit	17500.00	(5996.36)

The sharp fall in the Net Profit is because of the increased cost of production and the pressure on margins due to other factors which have been explained in the earlier part of the Report under the paragraph "Profitability and Operations."

## ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for the assistance and continued co-operation extended by the Financial Institutions, Banks, Government Authorities, Clients and Suppliers during the year under review. The Directors wish to place on record their deep sense of appreciation for the devotion and sense of commitment shown by the employees at all levels and acknowledge their contribution for its success.

For and on behalf of the Board of Directors

Place : Mumbai  
Dated : June 26, 1998

**R.N.GUPTA**  
Chairman