

12TH ANNUAL REPORT 1997 - 98

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



WEIZMANN  
LIMITED



सत्यमेव जयते

भारत सरकार

GOVERNMENT OF INDIA

वाणिज्य मंत्रालय

MINISTRY OF COMMERCE

विदेश व्यापार महानिदेशालय

DIRECTORATE GENERAL OF FOREIGN TRADE

नई दिल्ली

NEW DELHI

मान्यता प्रमाण पत्र

Certificate of Recognition

TRADING HOUSE

मैसर्स.....

.....को निर्यात-आयात नीति के उपबन्धों के अनुसार एतद् द्वारा व्यापार सदन के रूप में मान्यता दी जाती है। यह प्रमाण-पत्र १ अप्रैल, १९.....से ३१ मार्च १९.....तक.....वर्षों की अवधि के लिए वैध है।

M/s. WILHELM MANN LIMITED, 26, GEDDIO MAHAL, 96/9, NITFANI SUBHASH ROAD,

MUMBAI - 4000 02......are hereby accorded the status

of a Trading House in accordance with the provisions of the Exim Policy.

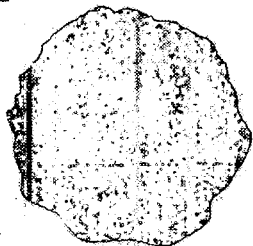
This Certificate is valid for a period of THREE years effective from 1st April, 19..98.....

to 31st March, 2001.

सं० 1182

No.....

तारीख

Date.....23/10/98

Anil Swamy  
( ANIL SWAMY )

निर्यात आयुक्त

EXPORT COMMISSIONER



## 12th Annual Report 1997-98

**BOARD OF DIRECTORS**

Mr. N. N. Pai  
Chairman

Mr. D. G. Siraj  
Vice Chairman

Dr. P. D. Ojha  
Mr. J. M. Gandhi  
Mr. S. A. Naik  
Mr. A. A. Bakeri  
Mr. N. V. Siraj  
Directors

Mr. Chetan D. Mehra  
Managing Director

Mr. Suresh Krishnan  
Vice President &  
Company Secretary

**BANKERS**

State Bank of Mysore  
Union Bank of India  
Punjab & Sind Bank  
The Federal Bank Ltd.  
The Vysya Bank Ltd.  
State Bank of Travancore  
The South Indian Bank Ltd.

**AUDITORS**

M/s. U.B.Sura & Co.  
Chartered Accountants

**REGISTERED OFFICE**

Empire House, 214, Dr. D. N. Road, Fort,  
Ent. A. K. Nayak Marg,  
Mumbai - 400 001.

**REGIONAL OFFICES :**

Bangalore :  
308, Prestige Centre Point,  
Cunningham Road,  
Bangalore - 560 052.

Cochin :  
Laxmi Chambers, 3rd Floor,  
40/7804, M. G. Road,  
Ernakulam, Cochin - 682 035.

Chennai :  
No.7, 3rd Floor,  
Viram's Shopping Centre,  
112, Thyagaraja Road,  
T. Nagar,  
Chennai - 600 017.

Delhi :  
Flat No.812-A, Indraprakash,  
21, Barakhamba Road,  
New Delhi - 110 001.

Pune :  
C-7, 2nd Floor,  
Shangrila Gardens,  
Bund Garden Road,  
Pune 411 001.

**BRANCH OFFICES :**

Ahmedabad, Goa, Hubli, Madurai,  
Mysore, Nagpur, Nasik, Pimpri,  
Surat and Trichy.

**REGISTRAR & SHARE TRANSFER AGENTS :**

Bigshare Services Pvt. Ltd.,  
J/12, Ansa Industrial Estate,  
Saki Vihar Road, Saki Naka,  
Andheri (E), Mumbai - 400 072.  
Tel No. 8523541/ 8524914  
Fax No.: 8525207

**12th Annual General Meeting**

On Thursday, the 15th day of April, 1999  
at 11.00 a.m. at Sunville Building,  
9, Dr. Annie Besant Road, Worli,  
Mumbai - 400 018.

**CONTENTS**

	Page
Notice .....	2
Directors' Report .....	5
Annexure to the Directors' Report .....	6
Auditor's Report .....	7
Balance Sheet .....	8
Profit & Loss Account .....	9
Schedules to the Accounts .....	10
Notes to the Accounts .....	16
Balance Sheet Abstract .....	19
Cash Flow Statement .....	20

# WEIZMANN

## LIMITED

### NOTICE

Notice is hereby given that the **TWELFTH ANNUAL GENERAL MEETING** of WEIZMANN LIMITED will be held on Thursday, April 15, 1999 at 11.00 A.M. at Sunville Building, 9, Dr. Annie Besant Road, Worli, Mumbai - 400 018, to transact the following business :

#### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Profit and Loss Account for the eighteen months period ended December 31, 1998 and the Balance Sheet as at that date together with the Report of the Directors' and Auditors thereon.
2. To declare dividend on Preference Shares.
3. To declare dividend on Equity Shares.
4. To appoint a Director in place of Shri N. V. Siraj, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri J. M. Gandhi, who retires by rotation and, being eligible, offers himself for re-appointment.
6. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

#### SPECIAL BUSINESS :

7. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**.

**RESOLVED** that pursuant to the provisions of section 372A and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time) (hereinafter referred to as 'the Act'), the Company be and is hereby authorised to invest upto Rs.100.00 Crores to acquire securities of M/s. Weizmann Homes Ltd by subscription, purchase or otherwise, in addition to securities already held in the said company, for cash or for consideration other than cash, and on such terms and conditions as the Board of Directors of the Company may in its absolute discretion determine from time to time.

**RESOLVED FURTHER** that pursuant to the provisions of Section 372A and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time) (hereinafter referred to as 'the Act'), the Company be and is hereby authorised to make loans to M/s.Weizmann Homes Ltd, furnish Guarantees or provide Securities on behalf of M/s. Weizmann Homes Ltd, on such terms and conditions as the Board of Directors of the Company may determine from time to time provided that the aggregate amount of loans made, security provided and guarantee(s) furnished at any one point of time by the Company to or on behalf of Weizmann Homes Ltd shall not exceed an aggregate amount of Rs.100.00 Crores.

8. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**.

**RESOLVED** that pursuant to the provisions of section 372A and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time) (hereinafter referred to as 'the Act'), the Company be and is hereby authorised to invest upto Rs. 50.00 Crores to acquire securities of M/s. Weizmann Fincorp Ltd by subscription, purchase or otherwise, in addition to securities already held in the said company, for cash or for consideration other than cash, and on such terms and conditions as the Board of Directors of the Company may in its absolute discretion determine from time to time.

**RESOLVED FURTHER** that pursuant to the provisions of Section 372A and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from

time to time)(hereinafter referred to as 'the Act'), the Company be and is hereby authorised to make loans to M/s.Weizmann Fincorp Ltd, furnish Guarantees or provide Securities on behalf of M/s. Weizmann Fincorp Ltd, on such terms and conditions as the Board of Directors of the Company may determine from time to time provided that the aggregate amount of loans made, security provided and guarantee(s) furnished at any one point of time by the Company to or on behalf of Weizmann Fincorp Ltd shall not exceed an aggregate amount of Rs.50.00 Crores.

9. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**.

**RESOLVED** that pursuant to the provisions of section 372A and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time)(hereinafter referred to as 'the Act'), the Company be and is hereby authorised to invest upto Rs. 50.00 Crores to acquire securities of M/s. Windia Power Ltd by subscription, purchase or otherwise, in addition to securities already held in the said company, for cash or for consideration other than cash, and on such terms and conditions as the Board of Directors of the Company may in its absolute discretion determine from time to time.

**RESOLVED FURTHER** that pursuant to the provisions of Section 372A and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time)(hereinafter referred to as 'the Act'), the Company be and is hereby authorised to make loans to M/s.. Windia Power Ltd, furnish Guarantees or provide Securities on behalf of M/s. Windia Power Ltd, on such terms and conditions as the Board of Directors of the Company may determine from time to time provided that the aggregate amount of loans made, security provided and guarantee(s) furnished at any one point of time by the Company to or on behalf of Windia Power Ltd shall not exceed an aggregate amount of Rs. 50.00 Crores.

10. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a **Ordinary Resolution**.

**RESOLVED** that subject to such approvals as may be necessary, the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors to sell, lease, sublease and otherwise dispose of, as a going concern, the whole or substantially the whole of the Company's Wind Resources Division, together with all such assets & liabilities relating thereto as the Board may decide to any Company including one or more subsidiary/associate of the Company, as the Board may in its absolute discretion deem proper and for such consideration as may be arrived at based on valuation by an independent expert Accredited Valuer, and as may be acceptable to the Board, as reasonable and fair, and on such terms and conditions, as the Board, in its absolute discretion, considers beneficial to and in the interest of the Company.

**RESOLVED FURTHER** that the Board be and is hereby authorised to do all such acts, deeds, matters and things and to exercise all such powers and authorities and to delegate the same to such person or persons as it may in its absolute discretion deem necessary or desirable or expedient with a view to give effect to this resolution.

11. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**.

**RESOLVED** that pursuant to bylaws/listing agreement(s) entered into with Stock Exchanges and the guidelines issued by SEBI and other applicable guidelines and regulations subject to applicable approvals and procedures, the Company be and is hereby authorised to voluntarily apply for delisting of its Equity Shares from the Stock Exchanges at New Delhi, Vadodara, Cochin and Chennai where the Equity Shares of the Company are/were also listed and that the Board of Directors of the



## 12th Annual Report 1997-98

Company or any persons specifically authorised by the Board in this regard be and is hereby authorised to sign, deliver and pursue and otherwise deal with all necessary applications and/or documents and to do all such other acts, deeds and things as may be deemed necessary in this regard.

12. To consider and, if thought fit, to pass with or without modification(s) 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 as follows :

After the existing Article 22, the following new Article shall be inserted viz.

**'Buy Back of Shares'**

22A. 'Notwithstanding anything contained in these Articles, the Company may purchase its own shares or securities and 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 the Law.'

13. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**.

**RESOLVED** that pursuant to the provisions of section 77A and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory Modification(s)/Amendment(s) or re-enactment thereof and any Ordinance promulgated in its regard for the time being in force and as may be enacted/promulgated from time to time and subject to such guidelines and other regulations as may be applicable the consent of the Company be and is hereby accorded to the Board of Directors to Buy back from the existing holders of shares and/or from the open market and/or from the lots smaller than market lots of the Shares (odd lots) and/or through private arrangements/negotiations and/or through any other source as may be permissible under the law then in force, either out of its free reserves or out of the securities premium account of the Company or from such other sources as may be permitted by law, on such terms, conditions and in such manner as may be deemed appropriate provided that the aggregate of the shares to be bought back in any financial year shall not exceed the maximum permissible limits as stipulated under the applicable Provision(s)/Modification(s)/Amendment(s)/Ordinance Promulgated in this regard for the time being in force.

**\*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 Equity Shares or other Securities.

**RESOLVED FURTHER** that the Board be and is hereby authorised to appoint merchant Bankers for this purpose and to determine the price at which the Equity shares or other securities of the Company would be brought back in accordance with the Rules/Regulations framed by Securities and Exchange Board of India.

**RESOLVED FURTHER** that nothing herein above contained shall confer any right on any shareholder to offer or any obligation on the Company or the Board to buy back any Equity Shares or securities.

By Order of the Board  
for **WEIZMANN LIMITED**

Sd/-  
**Suresh Krishnan**  
Vice President &  
Company Secretary

**Registered Office :**

Empire House,  
214, Dr. D. N. Road,  
Fort, Mumbai - 400 001.

Place : Mumbai

Dated : 27th February, 1999

**NOTES :**

- Explanatory statement, pursuant to section 173(2) of the Companies Act, 1956, in respect of special business mentioned above is annexed hereto.
- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING THE PROXY(S) SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE AFORESAID MEETING.
- The Register of Members and Share Transfer books of the Company will be closed from April 9, 1999 to April 15, 1999 (both days inclusive).
- Dividend on preference and equity shares will be payable to those members whose names stand on the Company's Register of members on April 15, 1999.
- Shareholders are requested to bring copies of the Annual Report to the Meeting.
- Shareholders are requested to notify change in address, if any, to the Registered Office of the Company quoting their Folio Numbers, on or before April 9, 1999.
- All documents referred to in the notice and explanatory statement are open for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days excepting Saturdays, Sundays and holidays upto the date of meeting.

**ANNEXURE TO NOTICE**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956**

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice dated February 27, 1999.

**Item No. 7**

Weizmann Homes Ltd is an associate of your Company, in which your company holds substantial interest by virtue of its investments therein.

Weizmann Homes Ltd, a Company promoted by Weizmann Limited is engaged in the business of providing Long term housing Finance.

For meeting the working capital and funds requirements of Weizmann Homes Ltd and for expansion of existing/new business opportunities, your Company being the associate company, may be required to either further invest in the securities of M/s. Weizmann Homes Ltd, make loans, provide Guarantees or securities on behalf of Weizmann Homes Ltd as stated in the resolutions under item No. 7 of the Notice. The Company has already invested an amount of Rs. 525.00 Lacs in the Equity Capital of Weizmann Homes Ltd and has already furnished Corporate Guarantees aggregating to Rs. 23.50 Crores to Weizmann Homes Ltd.

Section 372A of the Companies Act, 1956 permits the Company to invest in the Equity Capital of other bodies corporate or make loans or provide guarantees or securities exceeding 60 % of its paid up capital and free reserves or 100 % of its free reserves whichever is more to other bodies corporate only with the authority of the shareholders of the Company by a Special Resolution.

In view thereof the Board of Directors of your Company is of the opinion that authority be granted to the Board of Directors of the Company to invest, make loans, furnish Guarantees or provide securities upto an aggregate amount of Rs.100.00 Crores to Weizmann Homes Ltd on such terms and conditions as may deem fit by the Board of Directors. The resolution set out at item No.7 is an enabling resolution for providing adequate authority and discretion to the Board and would be operative and given effect as and when deemed necessary in this regard.

The Company would make investments, loans, arrange guarantee(s) or provide securities on behalf of Weizmann Homes Ltd either out of its paid up capital or free reserves and/or by the issue of marketable securities including Bonds/Debentures or such other debt instruments as may be deemed necessary by the Board of Directors of the Company.

Shri D. G. Siraj, Shri Chetan D. Mehra, Dr. P. D. Ojha and Shri J. M. Gandhi also being Directors of Weizmann Homes Ltd may be deemed

# WEIZMANN

## LIMITED

to be concerned or interested in the resolutions as set out under item No.7 of the accompanying notice.

The Board of Directors of your Company recommend passing of the resolution set out under item No.7 as a Special Resolution.

### Item No. 8

Weizmann Fincorp Ltd, a Company promoted by Weizmann Ltd is active in the business of providing Retail Finance for Consumer durable goods.

For meeting the working capital funds requirements, securitisation of its future receivables, for expansion, etc of Weizmann Fincorp Ltd, your Company, being one of the Promoters may be required to invest, make loans, provide guarantees or securities on behalf of Weizmann Fincorp Ltd. The Company has already invested an amount of Rs. 195.10 Lacs in the Capital of the Company and had made a loan of Rs. 23.35 Lacs to Weizmann Fincorp Ltd.

In view thereof the Board of Directors of your Company is of the opinion that authority be granted to the Board of Directors of the Company to invest, make loans, provide guarantees or securities upto an aggregate amount of Rs.50.00 Crores on behalf of Weizmann Fincorp Ltd on such terms and conditions as may deem fit by the Board of Directors. The resolution set out at item No.8 is an enabling resolution for providing adequate authority and discretion to the Board and would be operative and given effect as and when deemed necessary in this regard.

The Company would make investments, loans, arrange guarantee(s) or provide securities on behalf of Weizmann Fincorp Ltd either out of its paid up capital or free reserves and/or by the issue of marketable securities including Bonds/Debentures or such other debt instruments as may be deemed necessary by the Board of Directors of the Company.

Shri D. G. Siraj and Shri Chetan D. Mehra also being Directors of Weizmann Fincorp Ltd and Shri J. M. Gandhi a Relative of a Director in Weizmann Fincorp Ltd may be deemed to be concerned or interested in the resolutions as set out under item No.8 of the accompanying notice.

The Board of Directors of your Company recommend passing of the resolution set out under item No.8 as a Special Resolution.

### Item No. 9

Windia Power Ltd, a Company promoted by your Company is engaged in the business of manufacturing, marketing of Wind electric generators.

For meeting the funds requirements of Windia Power Ltd, for expansion/diversification of existing/new business opportunities, your Company, being one of the promoters may be called upon to invest, make loans, provide guarantees or securities on behalf of Windia Power Ltd. Your Company has already invested an amount of Rs. 335.00 Lacs in the Equity Capital of Windia Power Ltd and has furnished Corporate Guarantees aggregating Rs.21.53 Crores on behalf of Windia Power Ltd.

Section 372A of the Companies Act, 1956 permits the Company to invest in the Equity Capital of other bodies corporate or make loans or provide guarantees or securities exceeding 60 % of its paid up capital and free reserves or 100 % of its free reserves whichever is more to other bodies corporate only with the authority of the shareholders of the Company by Special Resolution.

In view thereof the Board of Directors of your Company is of the opinion that authority be granted to the Board of Directors of the Company to invest, make loans, provide guarantees or securities upto an aggregate amount of Rs.50.00 Crores on behalf of Windia Power Ltd on such terms and conditions as may deem fit by the Board of Directors. The resolution set out at item No.9 is an enabling resolution for providing adequate authority and discretion to the Board and would be operative and given effect as and when deemed necessary in this regard.

The Company would make investments, loans, arrange guarantee(s) or provide securities on behalf of Windia Power Ltd either out of its paid up capital or free reserves and/or by the issue of marketable securities including Bonds/Debentures or such other debt instruments as may be deemed necessary by the Board of Directors of the Company.

Shri D. G. Siraj and Shri Chetan D. Mehra also being Directors of Windia Power Ltd may be deemed to be concerned or interested in the resolution as set out under item No.9 of the accompanying notice.

The Board of Directors of your Company recommend passing of the resolution set out under item No.9 as a Special Resolution.

### Item No.10

Item No.10 of the notice relates to authorising the Board of Directors of the Company to sell, lease, or otherwise dispose off the whole or substantially the whole of the Company's Wind Resources Division to any Company including a subsidiary/associate of the Company.

None of the Directors is concerned or interested in the Resolution set out at item No.10.

### Item No.11

SEBI vide its directive to all Stock Exchanges, has amended the bylaws/listing agreement of the Stock Exchange, to permit the delisting of securities on the stock exchanges provided that the shareholders by a special resolution authorise the Company to make an application for delisting its Equity Shares.

The Board of Directors have decided to take steps to have the Equity Shares of the Company delisted from the Stock Exchanges at New Delhi, Vadodara, Cochin and Chennai on account of negligible transactions of the Companies Equity Shares in the market and also very few share holders residing at these places. Further the Shares continue to be listed on the National Stock Exchange in addition to The Stock Exchange, Mumbai and Ahmedabad Stock Exchange.

None of the Directors are deemed to be concerned or interested in the resolution as set out under item No.11 of the accompanying Notice.

The Board of Directors of your Company recommend passing of the resolution set out under item No.11 as a Special Resolution.

### Item No. 12

Proposed amendment to the Articles of Association are intended to introduce a new Article 22A in the Articles of Association as set out in the resolution, to enable the Company to purchase any of its own shares or securities, as proposed in the Resolution at item No.13, as per section 77A of the Companies Act, 1956.

Your Directors will be deemed to be interested only to the extent of Equity shares, if any held by them.

Your Directors recommend passing of the Resolution for acceptance by the members.

A copy of the Memorandum and Articles of Association of the Company is available for inspection by the members of the Company at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day of the Company.

### Item No. 13

Section 77A of the Companies (Amendment) Ordinance, 1998, enables a Company to buy back its own shares. It is proposed to enable the Company to buy back its Equity Shares or such other permissible securities not exceeding such percentage of the paid-up capital of the Company as may be permitted by the law, from the members of the Company either from the open market or from the holders of odd lots, or from the holders of Equity shares that may be issued under the Employees Stock Option Scheme or as permitted by the law. The buy back of Equity 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 12 months from the date of passing the Resolution or such other time limit laid down by the Law.

Your Directors will be deemed to be interested only to the extent of Equity shares, if any held by them.

Your Directors recommend passing of the Resolution for acceptance by the members.

By Order of the Board  
for WEIZMANN LIMITED

Sd/-  
Suresh Krishnan  
Vice President &  
Company Secretary

### Registered Office :

Empire House,  
214, Dr. D. N. Road,  
Fort, Mumbai - 400 001.

Place : Mumbai  
Dated : 27th February, 1999



## DIRECTORS' REPORT

The Members,

The Directors have pleasure in presenting their Twelfth Annual Report together with audited accounts for the eighteen months period ended December 31, 1998 :

### 1. FINANCIAL RESULTS

	For the Period ended 31st December, 1998 (Rs. in Lacs) (18 Months)	For the Year ended 30th June, 1997 (Rs. in Lacs) (12 Months)
Total Income	23366.75	25928.02
Profit before depreciation & tax	1292.35	1359.50
Less : Depreciation	815.55	686.93
Profit before tax	476.80	672.57
(Less) : Income Tax	148.20	74.00
Profit after tax	328.60	598.57
(Add/Less) Prior year adjustment	(73.79)	10.40
Available Surplus	254.81	608.97
Add : Balance carried over from previous year	583.89	414.42
	<u>838.70</u>	<u>1023.39</u>
<b>Directors recommendation for appropriation :</b>		
Transfer to General Reserve	12.74	60.90
Proposed dividend :		
on Equity Shares @ 5% (1996-97 : @ 20%)	64.31	256.81
On Preference Shares @ 13% (1996-97 - Nil)	27.08	—
Reserve Fund (Statutory Reserve U/s.45-1C of the RBI Act)	—	121.79
Surplus carried to Balance Sheet	734.57	583.89
	<u>838.70</u>	<u>1023.39</u>

### 2. DIVIDEND

#### A. On Preference Shares

Your Directors recommend a Dividend @ 13 %, pro-rata (previous year - Nil) on preference shares as per the terms of the issue of the said Preference Shares.

#### B. On Equity Shares

Considering depressed market conditions, slowdown in economy and general demand recession, your Directors after cautious consideration recommend a dividend @ 5 % (previous year 20%) on Equity shares to be declared and paid for the period ended 31st December, 1998.

### 3. PERFORMANCE

The Company was able to withstand the pressure of the general downtrend in the Indian Economy, disturbing Industrial growth and depressed overall business environment. The Exports Division and the Textile Process House of the company situated at Ahmedabad in Gujarat performed commendably well. In view of its substantial exports, your company has been awarded the status of **Trading House by the Government of India.**

The Company has already created a niche in the area of acting as full fledged money changers. The company has entered into an agreement with Western Union Financial Services of U.S.A - Fortune 500 company to offer money transfer services in India.

During the year SEBI had come out with guidelines for Merchant Bankers as per which all security related transactions should be carried out in a separate company exclusively. The company identified one of its associate company namely Weizmann Capital Limited into Merchant Banking Company after fulfilling the criteria laid by SEBI. Weizmann Limited holds majority of shares in that Company. Weizmann Capital Limited has already received the licence from SEBI for acting as Registered Merchant Banker.

The total income for the year was Rs.23366.75 Lacs as against Rs.25928.02 Lacs in the previous year. The Profit before depreciation stood at Rs.1292.35 Lacs. After provision for depreciation of Rs.815.55 Lacs (previous year Rs.686.93 Lacs) and payment of tax of Rs.148.20 Lacs (previous year Rs.74.00 Lacs) Net Profit stood at Rs.328.60 Lacs against Rs.598.57 Lacs in the previous year.

### 4. RESOURCES

During the year under review the company had completed Private Placement of Cumulative Redeemable Preference shares to the extent of Rs.533.50 lacs and allotted bonds with 54EA benefits, pursuant to CBDT approval, to the extent of Rs.1855.00 lacs.

### 5. RECLASSIFICATION OF INDUSTRIAL CODE

The Companies Industrial Activity code has been reclassified by the Department of Company Affairs as Non Finance Company in view of the total income from other activities in excess than the income derived from finance related activities.

### 6. FUTURE PROSPECTS

Given the present economic scenario and the business environment in which the company is operating, the company proposes to adopt a very cautious approach. Its main focus area would be to enhance the performance of the exports division and the Textile Processing House. The company proposes to further consolidate its position in the area of acting as Full Fledged Money Changers.

### 7. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, the foreign exchange earnings were Rs.3924.95 Lacs and the foreign exchange outgo was Rs. 66.88 Lacs. The details have been given in Note 3 and 4 in Schedule "R" of the accounts.

### 8. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT AND TECHNOLOGY ABSORPTION

Particulars required under section 217(1)(e) of the Companies Act, 1956 relating to conservation of energy and technology absorption is given in Annexure 'A' to this report. The company has installed and commissioned an effluent treatment plant in the Textile Process Unit at Ahmedabad.

### 9. FIXED DEPOSITS

The Company's fixed deposit programme continues to be rated "AA-" by CARE indicating high degree of safety in respect of repayment of principal amount and timely payment of interest. The total deposit's stood at Rs.290.99 Lacs on December 31, 1998. 55 deposits totalling Rs. 31.60 Lacs due for repayment on or before 31st December, 1998 were not claimed by the depositors on that date. Till the date of this report, deposits aggregating to Rs.22.66 Lacs have been renewed/repaid and steps have been taken to elicit response from the remaining depositors for renewal/repayment of the deposits.

### 10. DIRECTORS

In accordance with the Companies Act, 1956 and Articles of Association of the company Shri.N.V.Siraj and Shri.J.M.Gandhi, Directors of the company retire by rotation and are eligible for re-appointment. Dr. P. R. Bavadekar - Nominee Director appointed by Indian Renewable Energy Development Agency Limited (IREDA) resigned from the board due to withdrawal of nomination by IREDA with effect from 26.02.1998. Shri Pravin H. Mehta resigned from the Board of Directors with effect from 22nd January, 1999 due to his pre-occupations. Your Directors place on record their sincere appreciation for the valuable contribution and advice offered by Dr.P.R. Bavadekar and Shri Pravin H. Mehta during their Directorship with the Company.