

# Aban Loyd Chiles Offshore Ltd.

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Thirteenth Annual Report  
1998 - 1999



# **ABAN LOYD CHILES OFFSHORE LTI**

## **THIRTEENTH ANNUAL REPORT**

### **1998-1999**

#### **BOARD OF DIRECTORS**

M.A. ABRAHAM  
Chairman & Managing Director

REJI ABRAHAM  
Wholetime Director

FRANK A. WOJTEK

P. MURARI

S. SRINIVASAN (NOMINEE OF ICICI)

V.S. RAO

RENNY ABRAHAM

#### **VICE PRESIDENT (FINANCE) & SECRETARY**

C.P. GOPALKRISHNAN

#### **AUDITORS**

FORD, RHODES, PARKS & CO.,  
Chartered Accountants  
CHENNAI

#### **BANKERS**

INDIAN OVERSEAS BANK

STATE BANK OF INDIA

STANDARD CHARTERED BANK

STATE BANK OF TRAVANCORE

#### **REGISTERED OFFICE**

JANPRIYA CREST  
96, PANTHEON ROAD  
EGMORE  
CHENNAI 600 008.

**ABAN LOYD CHILES OFFSHORE LTD.**

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**NOTICE TO MEMBERS**

NOTICE is hereby given that the Thirteenth Annual General Meeting of the members of **ABAN LOYD CHILES OFFSHORE LIMITED** will be held on Friday the 10th September 1999 at 11.00 A.M. at the Auditorium of Madras School of Social Work, 32 Casa Major Road, Egmore, Chennai-600 008 to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Balance Sheet as at 31st March 1999 and the Profit and Loss Account for the year ended on that date and the report of the Directors and Auditors' thereon.
2. To declare a Dividend for the year ended 31st March 1999.
3. To appoint a Director in place of Mr. Renny Abraham who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. M. A. Abraham who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

**SPECIAL BUSINESS**

6. To consider and if thought fit to pass with or without modification the following Resolution as a Special Resolution

**"RESOLVED THAT** in accordance with Sections 198, 269, 309, 311 and all other applicable provisions, if any, of the Companies Act, 1956 the Company hereby approves the appointment of Mr. M. A. Abraham, as the Managing Director of the Company for a period of 5 (five) years with effect from 24.10.1999 to 23.10.2004 under the terms and conditions as to remuneration as set out below.

**A. Remuneration:****a) Salary**

Basic Salary Rs.1,00,000/- (Rupees One lakh only) per month

**b) Perquisites****i) Housing**

Expenditure by the Company on hiring furnished accommodation shall be subject to a ceiling of 60% of salary over and above 10% payable by the Managing Director.

If the Company does not provide accommodation to the Managing Director, the HRA will be paid by the Company to the Managing Director as above.

If the accommodation in the Company owned houses is provided 10% of the salary of Managing Director shall be deducted by the company.

Explanation: The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income tax Rules, 1962, subject to the ceiling of 10% of the salary of Managing Director.

**ii) Medical Reimbursement:**

Reimbursement of Medical Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.

**ABAN LOYD CHILES OFFSHORE LTD.****iii) Leave Travel Concession**

Leave Travel Concession for self and family once a year incurred in accordance with the Rules of the Company.

**iv) Club Fees**

Fees of club subject to a maximum of two clubs. No admission or life membership fees will be paid.

**v) Personal Accident Insurance**

The premium not to exceed Rs.6000/- per annum

vi) a. Company's contribution towards Provident fund as per the Rules of the Company but not exceeding 12% of the salary

b. Company's contribution towards Superannuation Fund as per Rules of the Company, but it should not together with the Company's contribution to Provident Fund exceed 27% of the salary

Contribution to Provident Fund and Superannuation Fund shall not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.

vii) Gratuity shall not exceed half a month's salary for each completed year of service

viii) Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.

**ix) Leave:****Privilege Leave**

On full pay and allowance as per the Rules of the Company. Encashment of the leave at the end of the tenure will not be included in the computation of ceiling and perquisites. He will also be entitled to Casual Leave and Sick Leave as per the Leave Rules of the Company.

**c) Commission**

1% of the net profits of the Company subject to the overall ceiling laid down under Sections 198 and 309 of the Companies Act, 1956.

**B. Minimum Remuneration**

Notwithstanding anything stated herein, where, in any financial year during the currency of tenure of the Managing Director, the Company has no profit or its profits are inadequate, the Company shall pay to the Managing Director remuneration in accordance with the provisions of Part II of Schedule XIII of the Companies Act, 1956 as amended from time to time".

7. To consider and if thought fit to pass with or without modifications the following Resolution as a Special Resolution

**"RESOLVED THAT** subject to the provisions of Sections 198, 309, 311 and all other applicable provisions, if any of the Companies Act, 1956, the Company hereby accords its approval to the revision in terms of remuneration payable to Mr. Reji Abraham, Wholtime Director, with effect from 01.10.1999 to 25.09.2002 as set out below:

**A. Remuneration:****a) Salary**

Basic Salary Rs.50,000/- (Rupees Fifty thousand only) per month

**ABAN LOYD CHILES OFFSHORE LTD.**

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**b) Perquisites****i) Housing**

Expenditure by the Company on hiring furnished accommodation shall be subject to a ceiling of 60% of salary over and above 10% payable by the Wholetime Director

If the Company does not provide accommodation to the Wholetime Director, the HRA will be paid by the Company to the Wholetime Director as above.

If the accommodation in the Company owned houses is provided, 10% of the salary of the Wholetime Director shall be deducted by the Company.

Explanation: The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income tax Rules, 1962, subject to a ceiling of 10% of the salary of Wholetime Director.

**ii) Medical Reimbursement:**

Reimbursement of Medical Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.

**iii) Leave Travel Concession**

Leave Travel Concession for self and family once a year incurred in accordance with the Rules of the Company.

**iv) Club Fees**

Fees of club subject to a maximum of two clubs. No admission or life membership fees will be paid.

**v) Personal Accident Insurance**

The premium not to exceed Rs.6000/- per annum

**vi) a.** Company's contribution towards Provident Fund as per the Rules of the Company, but not exceeding 12% of the salary.

**b.** Company's contribution towards Superannuation Fund as per the Rules of the Company, but it should not together with the Company's Contribution to the Provident Fund exceed 27% of the salary.

Contribution to Provident Fund and Superannuation Fund shall not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.

**vii)** Gratuity shall not exceed half a month's salary for each completed year of service.

**viii)** Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.

**ix) Leave:****Privilege Leave**

On full pay and allowance as per the Rules of the Company. Encashment of the leave at the end of the tenure will not be included in the computation of ceiling and perquisites. He will also be entitled to Casual Leave and Sick Leave as per the Leave Rules of the Company.

**c) Commission**

0.5% of the net profits of the Company subject to the overall ceiling laid down under Sections 198 and 309 of the Companies Act, 1956

**B. Minimum Remuneration**

Notwithstanding anything stated herein, where, in any financial year during the currency of tenure of the

**ABAN LOYD CHILES OFFSHORE LTD.**

Wholetime Director, the Company has no profit or its profits are inadequate, the Company shall pay to the Wholetime Director, remuneration in accordance with the provisions of Part II of Schedule XIII of the Companies Act, 1956 as amended from time to time".

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

**"RESOLVED THAT** subject to such other approvals as may be necessary in this regard, the consent of the members be and is hereby accorded for inclusion of following objects under clause III(A) (5) of the main objects of the Memorandum of Association of the Company.

III (A) (5) "To carry on the business of leasing and hire purchase finance, acquiring and providing on lease, hire purchase or deferred payment operation, purchasing, selling, hiring, leasing or letting on lease and in any manner, financing all types of industrial and office plants, machinery, equipments, vehicles, land and buildings (temporary or permanent structures) real estate, furniture and fixtures, electrical and electronics appliances, ship, aircraft, automobiles, computers, films, moulds, energy saving devices and all types of movable and immovable properties.

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

**"RESOLVED THAT** subject to such other approvals as may be necessary in this regard, the Memorandum of Association of the Company be and is hereby altered in the manner and to the extent specified below:

In clause III (A) of the Memorandum of Association of the Company the following new sub clause be inserted as sub clause 6

III (A) 6. "To carry on, execute and conduct general contracting business, submit tenders and undertake, execute, do all kinds of construction, erection, surveying, supplying, designing, enlarging, repairs, re-modelling, consultancy and supervising business to manufacture and deal in all kinds of metals, Ferrous and Non-Ferrous and metal compounds and to carry on business of Mechanical, Structural, Electrical, Civil and Marine Engineering and in all types of construction work, including but not limited to Pipe Laying, Dredging, Horizontal Drilling, Fabrication of Steel or any such materials and to carry on business as Designers, Fabricators, Architects, Builders, and contractors including construction and development of Ports, Roads, Bridges, infrastructure Projects".

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

**"RESOLVED THAT** subject to such other approvals as may be necessary in this regard, the consent of the Company pursuant to Section 293(1) (a) of the Companies Act, 1956 be and is hereby accorded to the Board of Directors to sell, lease, sub-lease, transfer and/or otherwise dispose off the Company's own/ leased wind mills together with accessories and including the land on which such windmills are installed for such terms and conditions and in such form and in such manner as the Board of Directors of the Company may at their discretion deem fit in the interest of the Company, with full power and authority to do all such acts as may be necessary to implement this resolution."

*By Order of the Board*

**C P Gopalkrishnan**

Vice President (Finance) & Secretary

Chennai, 24<sup>th</sup> July 1999

**ABAN LOYD CHILES OFFSHORE LTD.**

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**Notes:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.
2. The instrument appointing proxy, in order to be effective should be lodged at the Registered Office of the Company not less than 48 hours before the meeting. A blank proxy form is attached.
3. The Register of Members and Share Transfer Book will remain closed from 31<sup>st</sup> August 1999 to 10<sup>th</sup> September 1999 (both days inclusive).
4. Members are requested to intimate the Company regarding any change in their address immediately at its Registered Office quoting their folio numbers.
5. Pursuant to Section 205A of the Companies Act, 1956 unpaid/unclaimed Dividend for the year ended 31.03.95 have been transferred to the General Revenue Account of the Central Government. Shareholders who have valid claim to the unpaid/unclaimed Dividend may claim it from the Registrar of Companies, Shastri Bhawan, 26, Haddows Road, Chennai-600 006.
6. Shareholders are requested to bring their copy of Annual Report to the Meeting.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF SPECIAL BUSINESS CONTAINED IN THE NOTICE DATED 24<sup>TH</sup> JULY 1999****Item No.6**

Mr. M.A. Abraham was appointed as Managing Director of the Company for a period of 5 years commencing from 24<sup>th</sup> October 1994 to 23<sup>rd</sup> October 1999. In view of experience and performance, his reappointment as Managing Director has been proposed for the next five years with effect from 24<sup>th</sup> October 1999 to 23<sup>rd</sup> October 2004. The Special resolution under Item No.6 is placed before the Meeting for approval of the Members. The Directors Mr. M.A. Abraham, Mr. Reji Abraham and Mr. Renny Abraham are interested in this resolution.

**Item No.7**

Mr. Reji Abraham has been appointed as Wholetime Director by the shareholders at the Eleventh Annual General Meeting of the members of the Company for a period of 5 years commencing from 26<sup>th</sup> September 1997 to 25<sup>th</sup> September 2002. Your Board of Directors have proposed a revision in the remuneration payable to the Wholetime Director, with effect from 1<sup>st</sup> October 1999 to 25<sup>th</sup> September 2002. Hence the special resolution under this item is placed before the Meeting for the approval of the Members.

The Directors Mr. M.A. Abraham, Mr. Reji Abraham and Mr. Renny Abraham are interested in this resolution.

**Item No.8**

Considering the advantageous opportunities available in infrastructure business, the Company proposes to diversify its line of business to include leasing / hire purchase business. It is proposed to alter the Memorandum of Association by insertion of a new sub clause III (A) (5) in the main objects of the Memorandum of Association of the Company. The alteration requires members approval by passing the Special Resolution in the General Meeting of the Members of the Company. The Directors recommend the passing of proposed Special Resolution mentioned under Item No.8 of the Notice.

None of the Directors of the Company is interested or concerned in this item of business.



**ABAN LOYD CHILES OFFSHORE LTD.**

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**Item No.9**

The Company proposes to diversify its line of activities to include undertaking and executing Mechanical Engineering, Structural and Civil construction contracts. To empower the Company to undertake such contracts, it is considered necessary to amend the objects clause of the Memorandum of Association by adding a new Clause III (A) (6) in the main objects of the Memorandum of Association. Therefore the Special Resolution under Item No.9 is placed before the Meeting for approval.

None of the Directors of the Company is interested or concerned in this item of business.

**Item No.10**

Your Company is planning to transfer all its wind turbine generators to a separate entity. The Company has own/ leased wind mills installed at various sites in Tamil Nadu. The Board of Directors are planning to lease/sub lease the wind mills together with accessories and including the land on which such wind mills are installed to Aban Energies Limited, a Subsidiary Company formed separately with the object of generation and distribution of Power, subject to approval from Financial Institutions or such other relevant authorities as may be necessary in this regard. Aban Energies Limited is presently using the above wind mills only on a leave and licence basis.

Section 293 (1) (a) of the Companies Act, 1956 provide inter alia, that Board of Directors of the Company shall not except with the consent of Company in General Meeting sell, lease or otherwise dispose off the whole or substantially the whole of the Undertaking of the Company. Hence the resolution under Item No.10 is placed for your approval.

None of the Directors other than Mr. M.A. Abraham, Mr. Reji Abraham, Mr. Renny Abraham are interested or concerned in this item of business.

*By Order of the Board*

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**C P Gopalkrishnan**

Vice President (Finance) & Secretary

Chennai, 24<sup>th</sup> July 1999