

29th
ANNUAL REPORT
2002 - 2003



BONGAIGAON REFINERY & PETROCHEMICALS LIMITED
(A group company of IndianOil)

CONTENTS

Notice	2
Board of Directors	14
Performance at a glance	15
Report on Corporate Governance	16
Directors' Report including Management Discussion and Analysis	24
Auditors' Certificate on Compliance of conditions of Corporate Governance	39
Comments of CAG	41
Auditors' Report	44
Balance Sheet	48
Profit & Loss Account	49
Schedules	60
Statement of Significant Accounting Policies	69
Cash Flow Statement	71
Business Segments Report	72
Social Overheads	73
Statement of changes in Financial Position	74

NOTICE

NOTICE IS HEREBY GIVEN THAT the Twenty-ninth Annual General Meeting of the Shareholders of Bongaigaon Refinery & Petrochemicals Limited will be held on Wednesday, the 10th September, 2003 at 8.30 AM at the registered office of the Company at Dhaligaon, Dist. Bongaigaon [Assam] to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit & Loss Account of the Company for the year ended 31st March, 2003 and the Audited Balance Sheet as on that date along with the Report of the Directors, the Auditors' Report and the Comments of the Comptroller & Auditor General of India in terms of Section 619 of the Companies Act, 1956.
2. To declare a dividend.
3. To appoint Director in place of Shri N K Singh, who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS

4. To pass the following resolution as Ordinary Resolution with or without modifications:

"RESOLVED THAT Shri P S Rao, who was appointed as a Director of the Company w.e.f. 19.06.2003 and holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, liable to retire by rotation. The tenure of appointment of Shri P S Rao as a Director of the Company shall be subject to the provisions of Article 105 of the Articles of Association of the Company."

5. To pass the following resolution as Ordinary Resolution with or without modifications:

"RESOLVED THAT Shri P K Atreya, who was appointed as a Director of the Company w.e.f. 22.11.2002 and holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, liable to retire by rotation. The tenure of appointment of Shri P K Atreya as a Director of the Company shall be subject to the provisions of Article 105 of the Articles of Association of the Company."

6. To pass the following resolution as Ordinary Resolution with or without modifications:

"RESOLVED THAT Shri P K Chakraborty, who was appointed as a Director of the Company w.e.f. 19.06.2003 and holds office upto the date of this Annual General Meeting and in

respect of whom, the Company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, liable to retire by rotation. The tenure of appointment of Shri P K Chakraborty as a Director of the Company shall be subject to the provisions of Article 105 of the Articles of Association of the Company."

7. To pass the following resolution as Ordinary Resolution with or without modifications:

"RESOLVED THAT in accordance with the provisions of Section 293 (1)(e) and other applicable provisions, if any, of the Companies Act, 1956, the Board of Directors of the Company be and are hereby authorised to contribute and subscribe on behalf of the Company to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will in any financial year not exceed Rs. 25 lakhs (Rupees twenty five lakhs only) or five per cent of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Companies Act, 1956 during three financial years immediately preceding, whichever is greater."

8. To consider and pass the following resolution as Special Resolution with or without modification:

"RESOLVED THAT pursuant to Securities and Exchange Board of India (Delisting of Securities) Guidelines - 2003 and other applicable provisions of law, the approval of the shareholders be and is hereby accorded for delisting of shares of the Company from The Delhi Stock Exchange Association Ltd., The Calcutta Stock Exchange Association Ltd. and Madras Stock Exchange Ltd. and the Board of Directors of the Company be and is hereby authorized to do all acts, things and matter as may be necessary and as may deem fit, proper and appropriate in their absolute discretion for giving effect to the resolution."

9. To consider and pass the following resolution as Special Resolution with or without modification:

"RESOLVED THAT the Articles of Association of the Company be and is hereby amended by way of modifications, deletions, replacements and additions as under:

- i) **THAT** in Article 2, in the definition of "Member" the following para be added:
"Further every person holding equity share capital of the Company and whose name is entered as beneficial owner in the records of the depository shall also be deemed to be a member of the Company."
- ii) **THAT** in Article 2, in the definition of "Register of Members" the following para be added:
"Further the register of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996 shall also be deemed to be "Register of Members"."



iii) **THAT** in Article 2 the following definitions be inserted:

Beneficial Owner	"Beneficial Owner" means a person, whose name is recorded as such with the Depository as defined under clause (a) of sub-Section 1 of Section 2 of the Depositories Act, 1996.
Depositories Act	"Depositories Act" shall mean the Depositories Act, 1996 and includes where the context so admits, any re-enactment or statutory modification thereof for the time being in force.
Depository	"Depository" shall have the meaning assigned thereto by clause (c) of sub-Section 1 of Section 2 of the Depositories Act, 1996.
Depository Participant	"Depository Participant" means a participant as defined under clause (g) of sub-Section 1 of Section 2 of the Depositories Act, 1996.

iv) **THAT** the following new Article 6B be inserted after Article 6A:

6B Shares with differential rights	Subject to the provisions of the Act, the Board of Directors may issue equity shares with differential rights as to dividend, voting or otherwise in accordance with such rules and subject to such conditions as may be prescribed.
------------------------------------	--

v) **THAT** in Article 11(1) the words "one or more certificates in marketable lot" appearing after the word "receive" and the words "a certificate" appearing after the words "transfer thereof," be deleted and the words "one or more certificate(s) in marketable lot" be added after the words "transfer thereof."

vi) **THAT** in Article 11 the following new clause (4) be inserted:
11(4) Notwithstanding anything contained in these articles, where the shares are dealt with in a depository, the Company shall intimate the details of allotment of shares to depository immediately on allotment of such shares.

vii) **THAT** the following new Article 11A be inserted after Article 11:

11A Option to Dematerialize Securities	Notwithstanding anything contained in these Articles, the Company shall in accordance with the provisions of the Depositories Act, be entitled to dematerialize its Shares, Debentures and other marketable securities and to offer the same for subscription in a dematerialized form and on the same being done, the Company shall be entitled to maintain a Register of Member /
--	---

Debentureholders holding Shares / Debentures both in material and dematerialized form in any media as permitted by law including any form of electronics media, either in respect of existing Shares or any future issue.

viii) **THAT** in clause (3) of Article 13 the words "Subject to the provisions of Section 109A of the Act," be added at the beginning before the words "On the death" and the words ".but nothing herein contained shall be taken to release the estate of a deceased joint-holder from liability on shares held by him jointly with other person" be added at the end after the words "as it may deem fit".

ix) **THAT** in Article 33 the words "[including beneficial owner entered in the records of Depository]" be added after the word "thereof" and before the words ";but".

x) **THAT** in Article 34 the words "Except as provided in these articles," be added at the beginning before the word "No" and words and figures ",77A, 77AA and 77B" be added after figure "77" and the word "Section" be replaced by the word "Sections".

xi) **THAT** the following new Article 34A be inserted after Article 34:

34A Buy-Back of Shares	Notwithstanding any of the provisions of these Articles, the Company shall have the power, subject to and in accordance with the relevant provisions of the Act and other applicable provisions of law, and subject to such approvals, permissions and sanctions, if any, as may be necessary, to purchase, acquire or hold its own shares or other specified securities as defined in the Act, on such terms and conditions and in such manner, and upto such limits as may be prescribed by law from time to time, and make payment out of its free reserves or security premium account of the Company or out of the proceeds of an issue other than fresh issue of shares made specifically for Buy-back purpose provided that, nothing herein contained shall be deemed to effect the provisions of Sections 100 to 104 and Section 402 of the Act in so far as and to the extent they are applicable.
------------------------	---

xii) **THAT** the following new Article 36A be inserted after Article 36:

36A Forms of Transfers	The instrument of transfer of any share shall be in writing and in such form as may be prescribed accompanied with such
------------------------	---

evidence as the Board may require to prove the title of transferor and his right to transfer the share. Every instrument of transfer shall be presented to the Company duly stamped for registration. All the provisions of Section 108 of the Act and of any statutory modifications thereof for the time being in force shall be duly complied with in respect of all transfers of shares and registration thereof.

xiii) **THAT** the following two new Articles 39A & 39B be inserted after Article 39:

39A Articles 36 to 39 shall not apply to Shares, Debentures or other marketable securities entered in the records of the Depository. Nothing contained in Articles 36 to 39 shall apply to the transfer of Shares, Debentures or other marketable securities effected by the transferor and transferee, both of whom are entered as beneficial owners in the records of the Depository.

39B (i) In case of transfer of Shares, Debentures or other marketable securities where the Company has not issued any certificates and where such Shares, Debentures or securities are being held in an electronic and fungible form, the provisions of the Depositories Act shall apply.

(ii) In respect of the Shares, Debentures and other marketable securities held by the Depository on behalf of a beneficial owner as defined in the Depositories Act, Section 153, 153A, 153B, 187B, 187C and 372A of the Companies Act, 1956, shall not apply.

xiv) **THAT** in Article 41 the words & figure “ and Section 111A” be added after the word & figure “Section 111”.

xv) **THAT** in Article 49 the words “Subject to the approval of the President,” appearing at the beginning before the words “the Directors” be deleted.

xvi) **THAT** in Article 50 the words “Subject to such directions as may be issued by the President in this behalf,” appearing at the beginning before the words “new shares” be deleted.

xvii) **THAT** in Article 52 the words “approval of the President and” appearing after the words “subject to the” be deleted.

xviii) **THAT** in Article 55 the words “Subject to the approval of the President,” appearing at the beginning before the words “the Directors” be deleted.

xix) **THAT** in Article 55 the following sentence appearing at the end after the words “Board.” be deleted:

“Provided, however, such approval by the President will not be necessary for obtaining funds from any bank for meeting its working capital needs either by hypothecating current assets or otherwise.”

xx) **THAT** in Article 56 the words “, subject to the approval of the President,” appearing after the words “The Board may” be deleted.

xxi) **THAT** in Article 56 the following sentence appearing at the end after the words “for the time being.” be deleted:

“Provided, however, such approval by the President will not be necessary for obtaining funds from any bank for meeting its working capital needs either by hypothecating current assets or otherwise.”

xxii) **THAT** the following new Article 57A be inserted after the existing Article 57:

57A Issue at discount etc. or with special privileges Subject to other provisions of these Articles and subject to Section 79 of the Act, any bonds, debentures, debenture stock or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, and allotment of Shares. Debentures, Debenture stock or other securities with the right of allotment of or conversion into shares shall not be issued except with the sanction of the Company in general meeting.

xxiii) **THAT** the following new Article 58A be inserted after the existing Article 58:

58A Indemnity may be given If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security cover of affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

xxiv) **THAT** Article 64 be deleted.

xxv) **THAT** in Article 70 (1)(a) the following new para (iv) be inserted after para (iii):

(iv) the fixation of the remuneration of the Statutory Auditors of the Company.”

xxvi) **THAT** in Article 70 (1)(a) the word “and” be deleted after para (ii) and be added after para (iii).

xxvii) **THAT** existing Article 73 be replaced by the following new Article 73:

73 Quorum Five [5] members present in person or duly authorised representatives, of whom at least one shall be a representative of Indian Oil Corporation Ltd., so long as Indian Oil Corporation Ltd. remains a holding Company, shall be the quorum for a General Meeting including Annual General Meeting.

xxviii) **THAT** Article 74 be deleted.

xxix) **THAT** existing clause (1) of Article 80 be replaced by the following new clause (1):

80 (1) Demand of poll Before or on the declaration of the results of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion, and shall be ordered to be taken by him on a demand made in that behalf by the person or persons specified below, that is to say:

(a) by any member or members present in person or by proxy and holding shares in the Company-

- i) which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution, or
- ii) on which an aggregate sum of not less than fifty thousand rupees has been paid up.

xxx) **THAT** the following new Article 91A be inserted after the existing Article 91:

91A Voting by a representative of a member Company on show of hands. Any member who is a company present by a representative duly authorized by a resolution of the Directors of such Company in accordance with the provisions of Section 187 of the Act may vote on a show of hands as if he is a member of the Company. The production at the meeting of a copy of such resolution duly signed by one Director or Company Secretary of such company and certified by him as being a true copy of the resolution shall at the meeting be accepted by the Company as sufficient evidence of the validity of his appointment.

xxxi) **THAT** existing Article 103 be replaced by the following new Article 103:

103 Number of Directors The number of Directors of the Company shall not be less than three and more than fifteen including all categories of Directors unless otherwise determined by a General Meeting. The Directors may be on whole-time basis or non-whole-time basis.

xxxii) **THAT** the existing Article 105 be replaced by the following new Article 105:

105 Appointment of Chairman/ Deputy Chairman/ Chairman & Managing Director. (1) The President may, from time to time, appoint a Chairman and/or Deputy Chairman or Chairman & Managing Director of the Board of Directors on such salary and / or allowances as may be fixed from time to time and

determine the period for which either of them is/are to hold his/their respective office/offices.

Appointment of Directors

(2) The Directors representing the Government of India and any State Government shall be appointed by the President. All other Directors (except the part-time non-executive Directors nominated by Indian Oil Corporation Ltd.) including whole-time Directors, shall be appointed by the President in consultation with the Chairman. All Directors shall be paid such salaries and/ or allowances as the President may, from time to time, determine. Subject to the provisions of Section 314 of the Act, such reasonable additional remuneration, as may be fixed by the President, may be paid to any one or more of the Directors for extra or special services rendered by him or them or otherwise.

(3) The President shall have the power to remove the Chairman and/or Deputy Chairman or Chairman & Managing Director appointed by him and appoint another to fill any vacancy in the office of any of these Directors from whatever cause.

Nomination of Directors by Indian Oil Corporation Ltd.

(4) Subject to provisions of Section 255 and other applicable provisions of the Act, the Indian Oil Corporation Limited may, from time to time, nominate one or more Director(s) on the Board of Directors of the Company. Indian Oil Corporation Limited shall have the power to remove such Director(s) nominated by it and to fill any vacancy in the office of any of these Directors from whatever cause.

Debenture Director

(5) Subject to the provisions of these Articles, if it is provided by any Trust Deed securing or otherwise in connection with any issue of debentures of the Company that any person or persons shall have a power to nominate a Director of the Company, then in the case of any and every such issue of debentures the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as a Debenture Director. A Debenture Director may be removed from office at any time by the person

or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares. A Debenture Director shall ipso facto vacate such office immediately upon the money owing by the Company to the Debentureholders is paid off or on satisfaction of the liability of the Company on this account.

Nominee
Directors

- (6) Subject to the provisions of these Articles, in case the Company obtains any loans and/or other facilities from financial institutions/ banks and it is a condition thereof that the said financial institution/bank shall have a right to nominate one Director, then subject to such terms and conditions, the said financial institution/bank shall be entitled to nominate one Director on the Board of Directors of the Company, and to remove from office any such Director so appointed and to nominate another in his place or in place of the Director so appointed who resigns or otherwise vacates his office. Any Director or Directors so nominated shall not be required to hold any qualification shares.

xxxiii) **THAT** the following two new Articles 105A & 105B be inserted after Article 105:

105A
Additional
Director

- (1) Subject to the provisions of Section 260 of the Act, the Board of Directors shall have the power at any time and from time to time to appoint a person or persons as an Additional Director or Directors so that the total number of Directors shall not at any time exceed the maximum fixed by Article 103 hereof. Any person so appointed to the Board shall remain in office only upto the date of the next Annual General Meeting, but shall be eligible for appointment as a Director by the Company at that meeting.

Casual
vacancy

- (2) Subject to the provisions of Section 284(6) of the Act, if the office of any Director appointed by the Company in General Meeting is vacated before his terms of office will expire in the normal course, the resulting casual vacancy may be filled by the Board of Directors

at a meeting of the Board, but any person so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid.

105B

Remuneration
of Directors

- (1) Subject to any directions of the President from time to time, the Directors shall be paid such salary and /or allowances as may be determined by the Board. Subject to the provisions of Section 314 of the Act and directions of the President, if any, such reasonable additional remuneration as may be fixed by the Board, may be paid to one or more of the Directors, for extra or special services rendered by him or them or otherwise.

Sitting
fees

- (2) Unless otherwise determined by the Company in General Meeting each Director [other than a Chairman and/ or Deputy Chairman or Chairman & Managing Director and Whole- time Director(s)] shall be entitled to receive out of the funds of the Company for each meeting of the Board or Committee thereof attended by him such fee as may from time to time be determined by the Board not exceeding the amount prescribed/approved by the Govt. of India.

Directors' expenses

- (3) The Directors shall be entitled to be paid all fees for filing documents which they may be required to file under the Act and shall also be entitled to be paid their reasonable travelling and hotel and other expenses incurred in attending and returning from Board meetings & Committee meetings of the Company or otherwise incurred in the execution of their duties as Directors.

xxxiv) **THAT** the Article 108 be deleted.

xxxv) **THAT** in Article 109 the words "with the prior approval of the President," appearing after the words "may appoint" be deleted.

xxxvi) **THAT** the existing Article 110 be replaced by the following new Article 110:

110 Directors to
retire
by rotation.

- (1) Subject to the provisions of Section 260 of the Act, all the Directors of the Company except the Chairman and/or Deputy Chairman or Chairman & Managing Director shall be person/ persons whose period of office shall be liable to determination by retirement by



rotation and save as otherwise expressly provided in the Act, be appointed by the Company in the General Meeting. Accordingly, if in respect of appointment of any Directors, under the articles 105 & 107, any resolution of the Company in a general meeting is required to be passed, then such appointment will be made by passing such resolution at a General Meeting of the Company. At every Annual General Meeting of the Company, one-third of such Directors for the time being are liable to retire by rotation and if their number is not three or multiple of three then the number nearest to one-third shall retire from office.

Which Directors to retire.

(2) The Directors to retire by rotation at every Annual General Meeting shall be those (other than the Chairman and/ or Deputy Chairman or Chairman & Managing Director of the Company) who have been longest in office since their last appointment, but as between persons who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.

Retiring Directors eligible for re-election.

(3) A retiring Director shall be eligible for re-election. The Company at the Annual General Meeting in which the Director retires, may fill-up the vacated office by appointing the retiring Director or some other person thereto.

Retiring Directors to remain in office till successors appointed.

(4) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place. If at the adjourned meeting also, the place of the retiring director is not filled up and that meeting has not expressly resolved not to fill up the vacancy, the retiring director shall be deemed to have been re-appointed at the adjourned meeting, unless:

- i] at that meeting or at the previous meeting, a resolution for re-appointment of such director has been put to vote and lost; or
- ii] the retiring director has, by notice in writing addressed to the Company or the Board, expressed

his unwillingness to be re-appointed; or

- iii] he is not qualified or is disqualified for appointment; or
- iv] a resolution, whether special or ordinary, is required for his appointment or re-appointment by virtue of any provisions of the Act; or
- v] Article 110(5) or sub-section (2) of Section 263 of the Act is applicable to the case.

Appointment of Directors to be voted individually.

(5) At a General Meeting of the Company a motion shall not be made for appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has first been agreed to at the meeting without any vote being given against it. A resolution moved in contravention of this Article shall be void whether or not the objection was taken at the time of it being so moved provided that where a resolution so moved is passed, no provision for the automatic re-appointment of retiring Directors by virtue of these Articles or the Act in default of another appointment shall apply.

Removal of Directors.

(6) The Company may, subject to the provisions of Section 284 of the Act, by ordinary resolution, of which special notice shall be given, remove any Director before expiration of his period of office and may by ordinary resolution, of which special notice shall be given, appoint another person in his stead, if the director so removed was appointed by the Company in General Meeting or by the Board under Article 105A(2). The person so appointed shall hold office until the date upto which his predecessor would have held office if he had not been so removed. If the vacancy created by the removal of a director under the provisions of this article is not so filled by the meeting at which he is removed, the Board may fill such vacancy as a casual vacancy in accordance with the provisions of the Article 105A(2).

Appointment of new Directors at General Meeting

(7) Subject to the provisions of Sections 252 and 257 of the Act, no person, not being a Director retiring by rotation, shall be eligible for appointment to the office of Director at any General Meeting unless he or some member

intending to propose him has, not less than fourteen days before the meeting, left at the office of the Company, a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office, as the case may be along with a deposit of Rs. 500/- (Rupees five hundred only) or such other amount as may be prescribed by the Government of India, which shall be refunded to such person or, as the case may be, to such member, if the person succeeds in getting elected as a Director.

xxxvii) **THAT** the existing Article 110A be replaced by the following new Article 110A:

110A Retirement of Directors A Director representing a Ministry/ Government Department shall retire on his ceasing to be official of that Ministry/Government. The Chairman, Deputy Chairman, Chairman & Managing Director, the Managing Director(s), Director (Finance), Director (Operations), Director-Human Resources and such other Whole-time Directors shall relinquish the office of Director on their ceasing to hold the office of the Chairman, Deputy Chairman, Chairman & Managing Director, the Managing Director(s), Director (Finance), Director (Operations), Director-Human Resources and such other whole-time Directors respectively.

xxxviii) **THAT** after Article 112 the following two new Articles 112A & 112B be inserted:

112A Disclosure of interest A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement, or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a Meeting of the Board in the manner provided in Section 299(2) of the Act; provided that it shall not be necessary for a Director to disclose his concern or interest in any such contract or arrangement entered into or to be entered into with any other company where any of the Directors of the Company or two or more of them together holds or hold not more than 2 per cent of the paid-

up share capital in the other company. A general notice given to the Board by the Director, to the effect that he is a director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for a further period of one financial year at a time by a fresh notice given in the last month of the financial year in which it would have otherwise expired. No such general notice, and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

112B Interested Director not to participate or vote in Board's proceedings

No Director shall as a Director, take any part in the discussion of, or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void; provided however that nothing herein contained shall apply to:-

- 1) any contract or indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company;
- 2) any contract or arrangement entered into or to be entered into with a public company or a private company which is subsidiary of a public company in which the interest of the Directors consists solely:-
 - (a) in his being:-
 - i) a director of such company, and
 - ii) the holder of not more than

- shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by this Company; or
- iii) in his being a member holding not more than 2 per cent of its paid-up share capital.
- xxxix) **THAT** Article 114 be deleted.
- xxxx) **THAT** Article 128 be deleted.
- xxxxi) **THAT** the existing Article 131 be replaced by the following new Article 131:
- 131 (1) The Board may from time to time entrust to and confer upon the Chairman and/or Deputy Chairman or Chairman & Managing Director, Managing Director(s), Director (Finance), Director (Operations), Director-Human Resources and such other Whole-time Directors for the time being such of their own powers as they may think fit and may confer such power for such time and upon such terms and conditions and with such restrictions as they may think expedient and may from time to time revoke, withdraw, alter or vary all or any of such powers, subject to directions of the President, if any.
- Delegation of powers to Chairman & Managing Director and other Directors.
- (2) The Chairman, Deputy Chairman, Chairman & Managing Director, Managing Director(s), Director (Finance), Director (Operations), Director-Human Resources and such other Whole-time Directors may further delegate such of their own powers as they think fit to other officers of the Company subordinate to them, and such further delegation of power made by the Chairman/ Dy. Chairman/ Chairman & Managing Director, Managing Director(s), Director (Finance), Director (Operations), Director-Human Resources and such other Whole-time Directors shall be reported at the meeting of the Board of Directors immediately following the date of each such delegation.
- xxxxii) **THAT** in Article 139 the words "with the approval of the President," appearing after the word "may" and before the words "declare dividends" be deleted.
- xxxxiii) **THAT** the following new Article 145A be inserted after the Article 145:
- 145A Notwithstanding the provisions of Article 145, the Company may pay dividend to the member or person entitled or in case of joint holders to that one of them first named in the Register of Members through Electronic Clearing Service [Credit Clearing] Mechanism with the consent of the member and / or as per the provisions of the relevant Act, Rules and Guidelines framed by the Govt. of India, Reserve Bank of India or any Statutory Authority.
- xxxxiv) **THAT** in Article 148 the following new clause (11) be inserted:
- 148 (11) Register of every investment or loan made, guarantee given or security provided by the Company in relation to any body corporate as required by Section 372A (5) of the Act.
- xxxxv) **THAT** the existing Article 156 be replaced by the following new Article 156:
- 156 Appointment of Auditors The auditor / auditors of the Company shall be appointed or reappointed by the Comptroller and Auditor General of India, in accordance with the provisions of Section 619 of the Act. Provided that the remuneration of the auditors shall be fixed by the Company in general meeting or in such manner as the Company in general meeting may determine.
- xxxxvi) **THAT** the following new Article 158A be inserted after the Article 158:
- 158A Accounts when audited and approved to be conclusive except as to errors discovered within three months Every account when audited and approved by a General Meeting shall be conclusive except as regards any error discovered therein within three months after the approval thereof, whenever any such error is discovered within that period, the account shall forthwith be corrected and thenceforth shall be conclusive.
- xxxxvii) **THAT** the existing Article 162 be replaced by the following new Article 162:
- 162 Notice valid for member deceased Subject to the provisions of the Act any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these Articles shall notwithstanding such member be then deceased and whether or not the Company have