



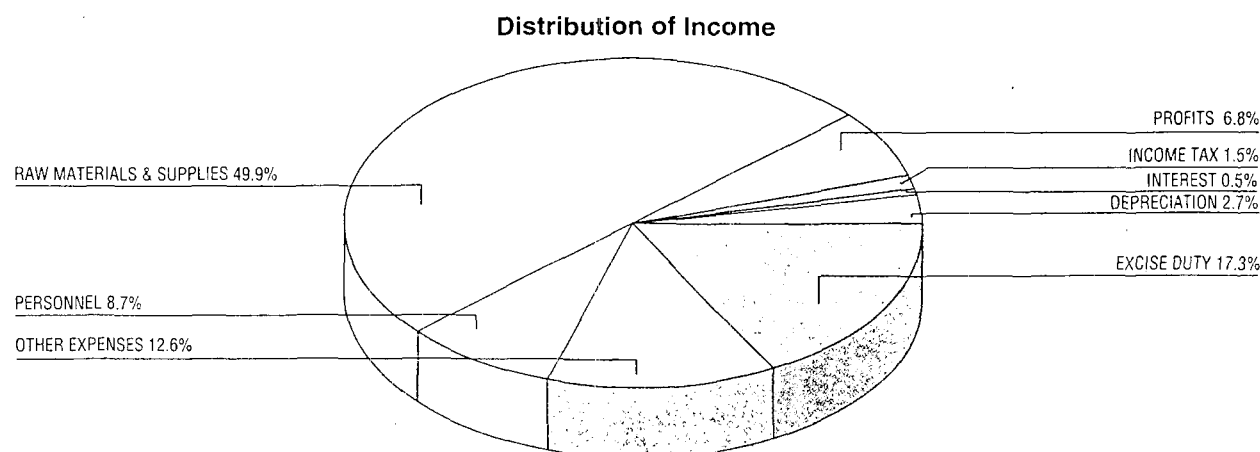
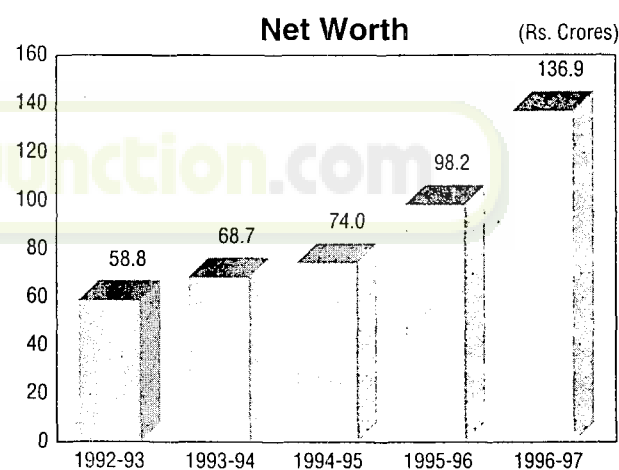
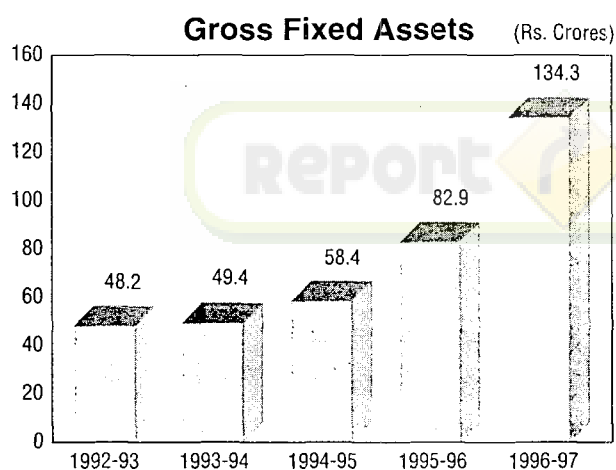
40th ANNUAL REPORT 1996-97

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HIGHLIGHTS

Particulars		1996-97	1995-96	1994-95	1993-94	1992-93
SALES*	Rs. Crores	240.1	224.0	180.8	166.5	160.4
PROFIT BEFORE TAX	Rs. Crores	20.2	41.8	10.0	16.4	20.1
PROFIT AFTER TAX	Rs. Crores	16.7	31.3	7.8	11.3	15.5
PROFIT BEFORE TAX AS % OF SALES		8.4	18.7	5.5	9.8	12.6
PROFIT AFTER TAX AS % OF SALES		6.9	14.0	4.3	6.8	9.7
NET WORTH PER SHARE	Rs.	101.4	109.1	82.2	76.3	65.3
EARNINGS PER SHARE	Rs.	12.4	34.8	8.6	12.6	17.2
DIVIDEND PER SHARE	Rs.	5.0	5.0	4.0	4.0	4.0
DEBT/EQUITY RATIO		0.5:1	0.4:1	0.6:1	0.4:1	0.4:1
CURRENT RATIO		2.9:1	3.5:1	2.8:1	2.9:1	3.4:1
TOTAL LIABILITIES/NET WORTH		0.9:1	1:1	1.1:1	0.8:1	0.9:1
NUMBER OF EMPLOYEES		1223	1213	1254	1273	1271
NUMBER OF SHAREHOLDERS		12714	5604	5559	6029	6193

*Refer to Note No. 8 of Schedule 9



Notice

NOTICE is hereby given that the Fortieth Annual General Meeting of CABLE CORPORATION OF INDIA LIMITED will be held at Sir Sitaram and Lady Shantabai Patkar Convocation Hall of SNDT Women's University, 1, Nathibai Thackersey Road, Mumbai - 400 020, on Thursday, 4th September, 1997 at 11.00 a.m., to transact the following business:

1. To receive, consider and adopt the Audited Profit and Loss Account of the Company for the year ended 31st March, 1997, and the Audited Balance Sheet as at that date and the Reports of the Directors and Auditors.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Mr. M L Bhakta who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Y C Amin who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Dr. (Mrs.) Sunanda N. Sengupta who was appointed a Director of the Company under Article 116 of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting pursuant to Section 262 of the Companies Act, 1956, read with Article 116 of the Articles of Association of the Company but being eligible, offers herself for re-appointment and in respect of whom the Company has received a notice in writing from a Member signifying his intention to propose Dr. (Mrs.) Sunanda N. Sengupta as a candidate for the office of Director.
6. To consider and, if thought fit, to pass with or without modifications, the following Resolution as a **Special Resolution**:

"RESOLVED that M/s. Sorab S. Engineer & Company, Chartered Accountants, be and are hereby appointed Auditors of the Company, to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company, at a remuneration to be mutually agreed between the Board of Directors of the Company and the Auditors."
7. To appoint a Director in place of Mr. Kalyan Chakravarti who was appointed as an Additional Director of the Company under Article 115 of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting pursuant to Section 260 of the Companies Act, 1956, but being eligible offers

himself for reappointment and in respect of whom the Company has received a notice in writing from a Member signifying his intention to propose Mr. Kalyan Chakravarti as a candidate for the office of Director.

8. To consider and, if thought fit, to pass with or without modifications, the following Resolution as an **Ordinary Resolution**:

"RESOLVED that pursuant to Sections 198, 269, 309 and other applicable provisions, if any, read with Schedule XIII to the Companies Act, 1956, the appointment of Mr. Kalyan Chakravarti as the Wholetime Director, designated as Executive Director of the Company, from 21st March, 1997 to 31st October, 2000 on the terms and conditions including remuneration as set out in the draft Agreement between the Company and Mr. Kalyan Chakravarti placed before the meeting and initialled by the Chairman of the Board, for the purposes of identification, be and the same is hereby approved."

RESOLVED further that the Directors of the Company be and are hereby authorised to enter into an Agreement on behalf of the Company with Mr. Kalyan Chakravarti, in terms of the aforesaid draft."

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

"RESOLVED that pursuant to Section 81 and all other applicable provisions, if any, of the Companies Act, 1956, and the Memorandum and Articles of Association of the Company and subject to such approvals, and consents, if any required, of relevant authorities and subject to such conditions and modifications as may be prescribed by them when granting such approvals and consents, the consent of the Company be and is hereby accorded to the Board of Directors of the Company ("the Board", which term shall include any committee which the Board may have constituted or may hereafter constitute) to issue such number of Preference Shares in one or more tranches, on such terms and conditions, at such time or times and at such subscription or issue price and in such manner as the Board may in its absolute discretion think fit, provided that the aggregate value of the issue of the Preference Shares shall not exceed Rs. 12.50 crores (Rupees Twelve Crores Fifty Lakhs) which may be either cumulative or non-cumulative, at par or at premium and in such numbers and to such persons, whether

or not such persons are existing shareholders of the Company, Public or any bodies corporate, Institutions, Banks, Foreign Institutional Investors, Overseas Corporate Bodies, Offshore and / or Indian Mutual Funds or any other person or persons, whether by way of a public issue, rights issue, by way of bought-out deals, placements or otherwise as the Board may consider appropriate:

- (a) The Preference Shares to be issued and allotted by the Company in the manner aforesaid, will be subject to the provisions of Section 80 and other applicable provisions of the Companies Act, 1956, and Memorandum and Articles of Association of the Company.
- (b) The Preference Shares will carry such rate of dividend as the Board may decide in its absolute discretion.
- (c) The rate of dividend may vary for each series of Preference Shares to be issued.
- (d) The dividend may either be Cumulative or Non-Cumulative as the Board may decide.
- (e) The Preference Shares will be redeemed at such price, in one or more instalments on the expiry of specified periods as may be agreed to by the Board and the subscriber(s).

RESOLVED further that for the purpose of giving effect to this Resolution the Board be and is hereby authorised to agree to make and accept all such conditions, modifications and alterations stipulated by any relevant authority while granting approvals or consents to the issue as may be considered necessary, proper or expedient by the Board and to resolve and settle all questions and difficulties that may arise in the issue or allotment of the Preference Shares and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit."

10. To consider and, if thought fit, to pass with or without modifications, the following Resolution as an **Ordinary Resolution**:

"RESOLVED that pursuant to the provisions of Section 94 and all other applicable provisions, if any, of the Companies Act, 1956, and Article 4 of the Articles of Association of the Company, the Authorised Share Capital of the Company be and is hereby increased from Rs.25,00,00,000 (Rupees Twenty Five Crores) divided into 2,48,00,000 (Two Crore Forty Eight Lakhs) Equity Shares of Rs.10/- (Rupees Ten) each and 20,000 (Twenty Thousand) Cumulative Preference Shares of Rs.100/- (Rupees One Hundred) each to Rs.37,50,00,000 (Rupees Thirty Seven Crores Fifty Lakhs) divided into 2,50,00,000 (Two Crore Fifty

Lakhs) Equity Shares of Rs.10/- (Rupees Ten) each and 12,50,000 (Twelve Lakhs Fifty Thousand) Preference Shares of Rs.100/- (Rupees One Hundred) each."

11. To consider and, if thought fit, to pass with or without modifications, the following Resolution as an **Ordinary Resolution**:

"RESOLVED that the following new clause VI be substituted for the existing clause VI of the Memorandum of Association of the Company:

'VI The authorised share capital of the Company is Rs.37,50,00,000 (Rupees Thirty Seven Crores Fifty Lakhs) divided into 2,50,00,000 (Two Crore Fifty Lakhs) Equity Shares of Rs.10/- (Rupees Ten) each and 12,50,000 (Twelve Lakhs Fifty Thousand) Preference Shares of Rs.100/- (Rupees One Hundred) each (whether Convertible or Non Convertible, Cumulative or Non-Cumulative) with power to the Company to convert the Preference Shares into Equity Shares at any time and from time to time to increase, reduce or modify the capital and to divide all or any of the shares in the capital of the Company, for the time being, and to classify and reclassify such shares from shares of one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate any such rights, privileges, conditions or restrictions, in accordance with the relevant provisions of the Articles of Association of the Company for the time being in force in that behalf'."

12. To consider and, if thought fit, to pass with or without modifications, the following Resolution as a **Special Resolution**:

"RESOLVED that pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the following new Article 3 be substituted for the existing Article 3 of the Articles of Association of the Company:

'3 The authorised share capital of the Company is Rs.37,50,00,000 (Rupees Thirty Seven Crores Fifty Lakhs) divided into 2,50,00,000 (Two Crore Fifty Lakhs) Equity Shares of Rs.10/- (Rupees Ten) each and 12,50,000 (Twelve Lakhs Fifty Thousand) Preference Shares of Rs.100/- (Rupees One Hundred) each (whether Convertible or Non Convertible, Cumulative or Non-Cumulative), with power to the Company to convert the Preference Shares into Equity Shares at any time and from time to time to increase, reduce or modify the capital and to divide all or any of the shares in the capital of the Company, for the time

being, and to classify and reclassify such shares from shares of one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate any such rights, privileges, conditions or restrictions, in accordance with the relevant provisions of the Articles of Association of the Company for the time being in force in that behalf".

13. To consider and, if thought fit, to pass with or without modifications, the following Resolution as a **Special Resolution**:

"RESOLVED that pursuant to Section 309(4) and other applicable provisions, if any, of the Companies Act, 1956, the Company does hereby accord its approval and consent to the payment of remuneration to the Directors of the Company other than Managing/Wholtime Director(s) or Debenture Director(s) by way of commission not exceeding 1% (one percent) per annum of the net profits of the Company computed in accordance with the provisions of Sections 198, 349 and 350 of the Companies Act, 1956, for each of the Five Financial years, 1st April, 1997 to 31st March, 2002. Such commission shall be paid to such of the Directors for the time being in office during the relevant period, the quantum, proportion and manner of such payment and distribution to be as the Board may from time to time decide."

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

"RESOLVED that pursuant to the provisions of Section 163 and other applicable provisions, if any, of the Companies Act, 1956, (the Act), and in supersession of the resolution passed at the 38th Annual General Meeting of the Company held on 22nd August, 1995, the Company hereby accords its approval to the keeping of the Registers and Indices of Members, Debenture-holders and Warrantholders, copies of all its Annual Returns prepared under Section 159 and other applicable provisions, if any, of the Act together with the copies of certificates and documents required to be annexed thereto under Section 161 of the Act, at the office of Consolidated Share Services Pvt. Ltd. the Registrars and Transfer Agents of the Company, situated at Shanti Nagar, Cross Road 'A', Near M.I.D.C. Bus Depot, Andheri (East), Mumbai 400093."

NOTES:

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT

ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

- (b) An Explanatory Statement as required by Section 173 of the Companies Act, 1956, is appended hereto.
- (c) A copy of the Memorandum of Association of the Company will be available for inspection by the Members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day except Saturday.
- (d) The Register of Members and Transfer Books of the Company will remain closed from Monday 18th August, 1997 to Thursday 4th September, 1997 (both days inclusive).
- (e) The dividend, if any, declared at the Meeting will be payable to those Members whose names appear in the Company's Register of Members on 4th September, 1997.
- (f) Members are requested to notify immediately the Company's Registrars and Transfer Agents of any change in their addresses.
- (g) The Company has already transferred on due date the unclaimed dividend declared for the financial year ended 31.03.1993 to the General Revenue Account of the Central Government in terms of Section 205A of the Companies Act, 1956. Members who have not encashed the Dividend Warrants for the said period are requested to claim the amount from the Registrar of Companies, Maharashtra. The unpaid dividends that are now due for transfer to the Central Government are as follows:

Dividend No.	Date	For the Financial year	Due for transfer on
26th	27.10.94	31.03.94	10.11.97
27th	25.09.95	31.03.95	10.10.98
28th	30.08.96	31.03.96	26.09.99

Members who have not encashed their dividend warrants may approach Consolidated Share Services Pvt. Ltd. Shanti Nagar, Cross Road 'A', Near M.I.D.C. Bus Depot, Andheri (East), Mumbai - 400 093 for obtaining cheque/demand draft in lieu thereof.

By Order of the Board of Directors,

S V NIGUDKAR
VICE PRESIDENT - LEGAL &
Mumbai, 24th June, 1997. COMPANY SECRETARY

Registered Office:

Poonam Chambers, North Wing, 6th Floor,
Shivsagar Estate, Dr. Annie Besant Road, Worli,
Mumbai - 400 018.

ANNEXURE TO THE NOTICE EXPLANATORY STATEMENT

As required under Section 173 of the Companies Act, 1956.

ITEM 5

As advised by Unit Trust of India, which is a major shareholder of the Company, Dr. (Mrs.) Sunanda N. Sengupta was appointed a Director of the Company by the Board of Directors with effect from 21st March, 1997 in the casual vacancy caused by the resignation of Mr. N Ramachandran. Pursuant to Section 262 of the Companies Act, 1956, read with Article 116 of the Articles of Association of the Company, Dr. (Mrs.) Sunanda Sengupta holds office only upto the date of this Annual General Meeting because Mr. N Ramachandran in whose place she was appointed would have held office upto the date of this Annual General Meeting had he not vacated his office as aforesaid.

A notice in writing has been received from a Member under Section 257 of the Companies Act, 1956, signifying his intention to propose Dr. (Mrs.) Sunanda Sengupta as a candidate for the office of Director alongwith a deposit of Rs.500/-.

Dr. (Mrs.) Sunanda Sengupta is an eminent Economist and the Directors consider that her services will be useful to the Company and that she be appointed a Director of the Company.

Dr. (Mrs.) Sunanda Sengupta is interested in the Resolution at Item 5 of the Notice, since it relates to her appointment.

None of the other Directors of the Company is concerned or interested in the passing of the Resolution at Item 5 of the Notice.

ITEM 6

This Item relates to the appointment of Auditors and the fixation of their remuneration. The Directors recommend the re-appointment of M/s Sorab S. Engineer & Company, as the Company's Auditors. Section 224 A of the Companies Act, 1956, provides that in case of a company in which not less than 25 per cent of the subscribed share capital is held, whether singly or in any combination by a Public Financial Institution or a Government company or Central Government or any State Government or any financial or other Institution established by any Provincial or State Act in which a State Government holds not less than 51 per cent of the subscribed share capital, or a nationalised bank or an insurance company carrying on general insurance business, the appointment or re-appointment of an auditor would require to be made by a special resolution at the Annual General Meeting. Some of the aforesaid categories of institutions and banks singly or in any combination presently hold

more than 25 per cent of the subscribed share capital of the Company. Hence, the Special Resolution at Item 6 of the Notice.

None of the Directors of the Company is concerned or interested in the passing of the Resolution at Item 6 of the Notice.

ITEMS 7 & 8

Mr. Kalyan Chakravarti joined the Company as President on 15th June, 1995. Considering the growth plans and increase in the business activities of the Company, the Board of Directors at its meeting held on 21st March, 1997, appointed Mr. Chakravarti as an Additional Director of the Company with effect from 21st March, 1997. Pursuant to Section 260 of the Companies Act, 1956, read with Article 115 of the Articles of Association of the Company, Mr. Kalyan Chakravarti holds office only upto the date of this Annual General Meeting of the Company. A notice in writing has been received from a Member under Section 257 of the Companies Act, 1956, signifying his intention to propose Mr. Chakravarti as a candidate for the office of Director alongwith a deposit of Rs.500/-.

Mr. Chakravarti, B.Tech.(Hons.) FIE, CE, PMD (Harvard), has over 34 years experience in the fields of manufacturing, marketing, works and project management, personnel and allied areas. His knowledge and vast experience has been and will be of great value to the Company.

The Board of Directors of the Company at its Meeting held on 21st March, 1997 also appointed Mr. Chakravarti as Wholtime Director, designated as Executive Director of the Company for the period from 21st March, 1997 to 31st October, 2000, subject to the approval of the Company in General Meeting. The terms and conditions including remuneration and perquisites payable to him are set out in the draft Agreement to be entered into by the Company with Mr. Chakravarti.

The remuneration and perquisites payable to Mr. Chakravarti are in conformity with the requirements of Schedule XIII to the Companies Act, 1956.

The material provisions of the draft Agreement relating to Mr. Chakravarti's appointment referred to in the Resolution at Item 8 of the Notice are as under:

1. Mr. Chakravarti to be the Executive Director of the Company from 21st March, 1997 to 31st October, 2000, subject to earlier determination in pursuance of the provisions of the Agreement.
2. Mr. Chakravarti to devote his whole time and attention to the business of the Company.
3. Mr. Chakravarti to be entitled to the following remuneration:

- (a) Salary: Rs. 40,000 - Rs. 50,000 per month with such Annual increment, if any, as may be decided by the Board of Directors or the Managing Director in its or his absolute discretion.
- (b) Commission: Such commission as may be determined by the Board of Directors of the Company based on the net profits of the Company for each financial year and computed in accordance with Sections 198 and 309 of the Companies Act, 1956, such commission however not in any event to exceed the annual salary for the time being of Mr. Chakravarti.
- (c) Perquisites:

PART A

- (i) Housing: Company maintained rent free accommodation owned or leased or taken on leave and license basis by the Company and reimbursement of expenses or allowances for utilities such as gas, electricity, water, soft and hard furnishings and/or maintenance and upkeep and repairs as may be determined by the Board of Directors or the Managing Director.
- (ii) Medical: Medical benefits/ reimbursement of medical expenses for self and family, medical insurance, personal accident insurance in accordance with the Rules of the Company.
- (iii) Others: Leave travel allowance for Mr. Chakravarti and his family, club fees and other allowances and perquisites as may be determined by the Board of Directors or the Managing Director, the monetary value of which shall not exceed the annual salary for the time being of Mr. Chakravarti.

For the purpose of the above, the perquisites and allowances shall be evaluated as per Income Tax Rules, 1962, wherever applicable. In the absence of any such Rules, they shall be evaluated at actual cost.

PART B

- (i) Provision of Cars and Telephones: For use on Company's business and telephones at residence. Personal long distance calls shall be billed by the Company to Mr. Chakravarti.

The Company shall either provide drivers or reimburse the salary of the drivers to Mr. Chakravarti.

- (ii) Leave: On full pay and allowance in accordance with the Rules of the Company.

PART C

- (i) Contribution to Provident Fund and Superannuation Fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.
- (ii) Gratuity not exceeding half a month's salary for each completed year of service.
- (iii) Encashment of leave unavailed of due to exigencies of business at the end of the tenure.

The perquisites mentioned in PART B and PART C above shall not be included in the computation of the ceiling on remuneration as specified below.

- (d) Where the Company has profits in a financial year, the remuneration of Mr. Chakravarti by way of salary, commission and perquisites set out in clause a, b & c above shall not, subject to the provisions of Sections 198 and 309 of the Companies Act, 1956, exceed 5% of its net profits for that financial year.
- (e) In the case of loss or inadequacy of profits in any financial year of the Company, the remuneration payable to Mr. Chakravarti shall be subject to the provisions of Section II of Part II of Schedule XIII to the Companies Act, 1956.

- 4. Mr. Chakravarti to undertake such travelling as may be required by the Company.
- 5. Mr. Chakravarti not to become interested or otherwise concerned directly or indirectly in any selling agency of the Company.
- 6. Mr. Chakravarti not to engage directly or indirectly in any other business, occupation or employment whatsoever.
- 7. Mr. Chakravarti not to divulge, publish or disclose any information or knowledge obtained by him during his employment with the Company.
- 8. Mr. Chakravarti's employment to forthwith determine if he shall become insolvent or make any composition or arrangement with his

creditors or ceases to be a Director of the Company.

9. Either party may be entitled to terminate the Agreement by giving the other party 3 months notice
10. Upon termination, Mr. Chakravarti shall cease to be the Wholtime Director of the Company and shall ipso facto cease to be a Director of the Company.
11. Upon termination, Mr. Chakravarti to hand over charge to such person nominated by the Company and to deliver to such person papers, documents and other property in his posession, custody, control or power.

The Board of Directors considers the remuneration proposed to be paid to Mr. Chakravarti is commensurate with his duties and responsibilities as the Executive Director of the Company and therefore recommend the Resolution at Item 8 of the Notice. The approval of the Members is necessary in view of the provisions of Schedule XIII to the Companies Act, 1956.

The foregoing material terms may also be treated as an abstract of the terms of Mr. Chakravarti's appointment as Executive Director for the purpose of Section 302 of the Companies Act, 1956.

A copy of the draft Agreement referred to above will be available for inspection by the Members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day except Saturday.

Mr. Chakravarti is concerned or interested in the Resolutions at Items 7 & 8 of the Notice since they relate to him.

None of the other Directors of the Company is concerned or interested in the passing of the Resolution at Items 7 & 8 of the Notice.

ITEM 9

Your Company is a leader in the power cable industry. To augment the long term resources of the Company for working capital and other requirements of funds including the growth plans the Company is, amongst various other funding options available, also exploring the possibility of issuing Preference Shares on such terms and conditions as the Board may, in its absolute discretion deem fit and most beneficial to the Company.

Sub-Section (1) of Section 81 provides, interalia, that when it is proposed to increase the subscribed capital of a Company by allotment of further shares, such further shares shall be offered to the persons who on

the date of the offer are holders of the equity shares of the Company in proportion to the capital paid up on that date unless the Members in General Meeting decide otherwise.

The consent of the Members is therefore, sought, by this enabling Resolution to authorise the Board of Directors to issue in one or more tranches such Preference Shares as referred to in the text of the Resolution at Item 9 of the Notice. The issue of Preference Shares would be in accordance with the provisions of Section 80 of the Companies Act, 1956 and the Company's Articles of Association.

As the proposal is in the interest of the Company, your Directors, commend the Special Resolution at Item 9 of the Notice for your approval.

All the Directors of the Company may be deemed to be concerned or interested in the Resolution at Item 9 of the Notice to the extent of the Preference Shares that may be subscribed and allotted to them or to the Companies/ Institutions of which they are Directors or Members.

ITEMS 10, 11 & 12

The present Authorised Capital of the Company is Rs.25,00,00,000 (Rupees Twenty Five Crores) divided into 2,48,00,000 (Rupees Two Crores Forty Eight Lakhs) Equity Shares of Rs.10 (Rupees Ten) each and 20,000 (Twenty Thousand) Cumulative Preference Shares of Rs.100 (Rupees One Hundred) each. To enable the Company to issue and allot Preference Shares as set out in the Resolution at Item 9 of the Notice, it is proposed to increase the Authorised Capital to Rs.37,50,00,000 (Rupees Thirty Seven Crores Fifty Lakhs) divided into 2,50,00,000 (Two Crore Fifty Lakhs) Equity Shares of Rs.10/- (Rupees Ten) each and 12,50,000 (Twelve Lakhs Fifty Thousand) Preference Shares of Rs.100/- (Rupees One Hundred) each. Hence the Resolution at Item 10 of the Notice.

The Resolutions at Items 11 and 12 of the Notice are for alterations of Clause VI of the Company's Memorandum of Association and Article 3 of the Company's Articles of Association respectively in order to reflect the increased Authorised Capital. Both these Resolutions are consequential to the Resolution at Item 10 of the Notice.

The Resolution at Item 12 is proposed as a Special Resolution in view of Section 31 of the Companies Act, 1956.

A copy of the Memorandum and Articles of Association of the Company together with the proposed amendments referred to in the Resolutions at Items 11 and 12 of the Notice respectively will be available for

inspection by the Members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day except Saturday.

None of the Directors of the Company is concerned or interested in the passing of the Resolutions at Item 10, 11 & 12 of the Notice.

ITEM 13

The Members of the Company at their meeting held on 17th August, 1992 had approved under the provisions of Section 309(4) of the Companies Act, 1956, by way of a Special Resolution, the payment of a remuneration to the Directors of the Company other than Managing/Wholetime Director(s) or Debenture Director(s) by way of commission not exceeding 1% (one percent) per annum of the net profits of the Company for a period commencing 1st January, 1993 to 31st March, 1997.

The aforesaid Special Resolution has ceased to be in force on 31st March, 1997.

Having regard to the increase in the Company's business and activities and the consequent increase in the responsibilities of the Directors, the Board proposes to seek the approval of the Members afresh by a Special Resolution to the payment of commission to the Director(s) (other than Managing/Wholetime Director(s) or Debenture Director(s), not exceeding 1% (one percent) per annum of the net profits of the Company computed in accordance with the applicable provisions of the Companies Act, 1956, for the period 1st April, 1997 to 31st March, 2002 (both days inclusive). The Commission shall be distributed amongst such of the Directors of the Company (other than Managing/Wholetime Director(s) or Debenture Director(s) as may be determined by the Board in the proportion and manner as the Board may from time to time decide.

All the Directors of the Company (other than Mr. H A Khatau, Chairman & Managing Director and Mr. Kalyan Chakravarti, Executive Director) are concerned or interested in the Resolution at Item 13 of the Notice to the extent of remuneration that may be received by them.

ITEM 14

At the 38th Annual General Meeting of the Company held on 22nd August, 1995, the Members had authorised the keeping of the Register of Members, Debentureholders and Warrantholders, copies of all

its Annual Returns prepared under Section 159 and other applicable provisions, if any, of the Act together with the copies of certificates and documents required to be annexed thereto under Section 161 of the Act, at the office of M/s Indus Financial Services, the then Registrars and Transfer Agents of the Company. The Company has appointed Consolidated Share Services Pvt. Ltd., Shanti Nagar, Cross Road 'A', Near MIDC Bus Stop, Andheri (East), Mumbai 400 093, as the new Registrars & Transfer Agents of the Company in place of M/s Indus Financial Services w.e.f. 1st July, 1997. With a view to enabling the Registrars & Transfer Agents to carry out their duties efficiently and expeditiously, it would be desirable to keep the Registers of Members, Debentureholders and Warrantholders, copies of all the Annual Returns prepared under Section 159 and other applicable provisions, if any, of the Act together with the copies of certificates and documents required to be annexed thereto under Section 161 of the Act, at their office in Mumbai. Having regard to the provisions of Section 163 of the said Act, the consent of the Members by a Special Resolution is required to be obtained for the Company's Registers of Members, Debentureholders and Warrantholders, copies of all its Annual Returns prepared under Section 159 and other applicable provisions, if any, of the Act together with the copies of certificates and documents required to be annexed thereto under Section 161 of the Act, to be kept at any place other than the Registered Office of the Company. Hence, the Special Resolution at Item 14 of the Notice.

Your Board of Directors recommend the passing of the Special Resolution at Item 14 of the Notice.

None of the Directors of the Company is concerned or interested in the passing of the Resolution at Item 14 of the Notice.

By Order of the Board of Directors

S V NIGUDKAR
VICE PRESIDENT - LEGAL
& COMPANY SECRETARY

Mumbai, 24th June, 1997

Registered Office:

Poonam Chambers, North Wing, 6th Floor,
Shivsagar Estate, Dr. Annie Besant Road,
Worli, Mumbai 400 018.

