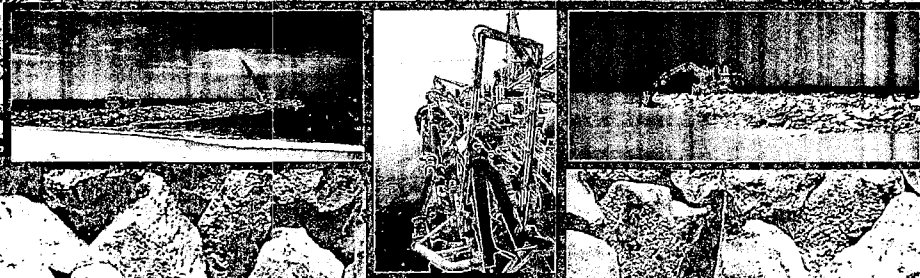
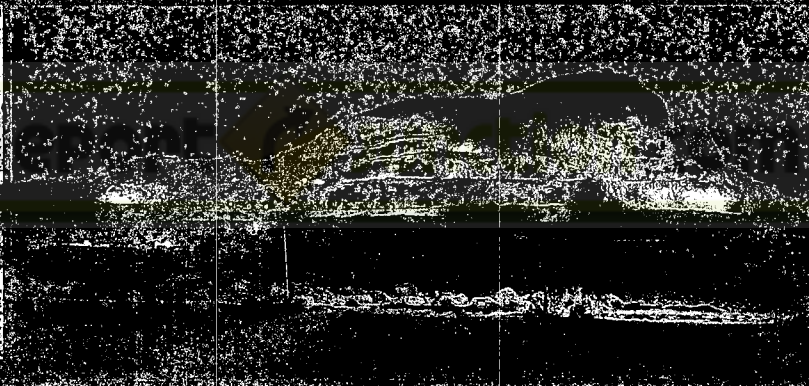


HCC

HINDUSTAN CONSTRUCTION CO. LTD.



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CONTRIBUTION IN THE NATION BUILDING

JAMMU AND KASHMIR:

1. Spillway, Dam and Powerhouse for Salal Hydel Project.

PUNJAB:

2. 140 M High Chimney at Ropar.
3. Rail Coach Factory at Kapurthala.

HARYANA:

4. Road Bridge at Palwai.
5. Panipat Chimney.
6. Hathnikund Barrage at Yamunanagar(*).

RAJASTHAN:

7. Foundation, Structures and other civil works for Rajasthan Atomic Power Project, Kota Units I & II.
8. Chambal Bridge at Dholpur.
9. Rajasthan Atomic Power Project, Units 3 & 4(*).

GUJARAT:

10. Kandla Oil Jetty for Kandla Port Trust, Kandla.
11. 180 M. High Chimney at Wanakbori.
12. Narmada Drift Project.
13. Tapi Road Bridge.
14. Kakrapar Atomic Power Project.
15. Natural Draught Cooling Towers at Kakrapar.
16. 2 Nos. Cooling Towers at Gandhinagar for Gujarat State Electricity Board.

MAHARASHTRA:

17. Gas Turbine Project and LPG Station at Uran.
18. Bhandup Complex.
19. Reactor Building, Main Building and other Structures for BARC.
20. SSSF Project at Tarapur.
21. Sina Aqueduct.
22. Parvel Creek Bridge.
23. Barvi Expansion Project.
24. Bridges over Vasai Creek at Western Railway.
25. Borghat Tunnels for Central Railway.
26. Factory Civil Works for Premier Automobiles Limited.
27. Ambemath/Ulhasnagar STP.
28. Water Treatment Plant, Pune.
29. Underground Powerhouse for Koyna Project.
30. Kolkewadi Dam.
31. Bridge over River Ulhas.
32. Trombay Chimney Works.
33. Nhava Sheva WTP Works, Raigadh.
34. Tunnel between Sewri and Futka for MCGB.
35. Koyna Stage IV Powerhouse Complex(*).
36. Tunnel between E. Moses Road and Ruparel College, Mumbai(*).
37. Aerated Lagoons at Ghatkopar and Bhandup, Mumbai(*).
38. Bandra Effluent and Influent Disposal Works, Mumbai(*).
39. Housing complex for Kharghar, Navi Mumbai(*).
40. Construction of Concrete Spillway for Gosikhurd Spillway Dam, Nagpur(*).
41. Construction of Mumbai-Pune Expressway section B Chowk, Adoshi (*).

GOA:

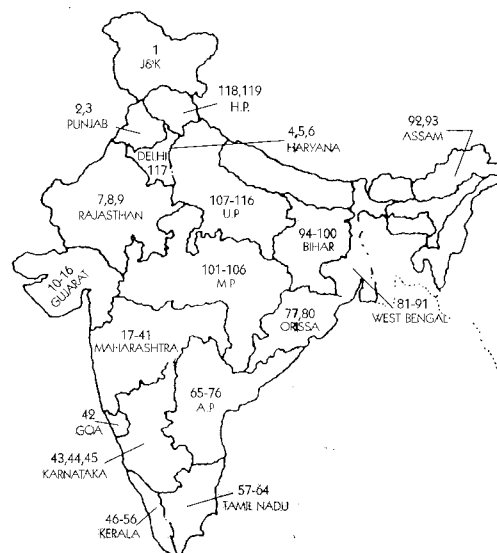
42. Goa Barge Berth at Marmagao.

KARNATAKA:

43. Tunnel and Powerhouse at Sharavati.
44. Dockwork for MPT at Mangalore.
45. Kadra Dam.

KERALA:

46. Tanker Terminal and Fertiliser Berth at Cochin.
47. Dam across Kulamavu.
48. Dam at Peppara.
49. Dam across Idamalayar.
50. Double Curvature Arch Dam at Idukki and Dam across River Cheruthoni.



51. Lower Periyar Tunnel Power Project.
52. Dam across Moozhiyar and Veluthodu, (Kakkad).
53. Sabarigiri Dam.
54. Wellington Bridge Works, Cochin(*).
55. Lower Periyar Dam and Powerhouse(*).
56. Brahmapuram Diesel Power Plant.

TAMIL NADU:

57. Civil Works for Kadamparai Pumped Storage Project.
58. Lower Mettur Barrages, Substructure and Powerhouse.
59. Ore Berth, Oil Jetty, Trawler Wharf at Chennai.
60. Sewage Treatment Plant at Koyambedu, Chennai.
61. Upper Nirar Tunnel.
62. Navamalai Tunnel.
63. Ennore Port-Rock Quarrying and Transportation Works(*).
64. Breakwater construction for New Port at Ennore, Chennai(*).

ANDHRA PRADESH:

65. Civil Works for Bhadrachalam Paper Board.
66. Civil Works, Earthen Dam and 225 M. High Chimney for Ramagundam Super Thermal Power Project.
67. Vizag Monolith and West Wall Protection.
68. Godavari Barrage at Rajahmundry.
69. Papavinasam Dam.
70. Chimney at Vijaywada.
71. Environmental Engineering Works at Hyderabad.
72. Substructure of Bridge over River Godavari for South Central Railway.
73. Vijaywada Tunnel Works.
74. Sileru Tunnel Works.
75. D.B.K. Railway Project.
76. Superstructure for Railway Bridge across river Godavari.

ORISSA:

77. Dam at Upper Kolab.
78. Road Bridge across Mahanadi.
79. Siphones at Kuakhai and Khushbhadra.
80. Naraj Barrage, New Cuttack(*).

WEST BENGAL:

81. Farakka Barrage.
82. Mahananda Barrage.
83. Calcutta Metro Railway Tunnel and Subway Structures.
84. Teesta Barrage.
85. Haldia Docks Project.

86. Environmental Engineering Works at Calcutta.
87. Kalyani Bridge.
88. Earthworks for Farakka STPP.
89. Dauk Barrage.
90. 1 No. 220 M. High RCC Chimney for Kolghat TPS.
91. Underwater cutting of Protective Shield and Sheet Piles in front of intake gates for KTRP.

ASSAM:

92. Brahmaputra Bridge at Amingaon and Tezpur.
93. Civil Works for Refinery at Guwahati.

BIHAR:

94. Sone Barrage.
95. Ganga Bridge at Mokameh.
96. Civil Works for Barauni Thermal Power Plant.
97. Chandil Dam.
98. Crossing over River Ganga for BSEB.
99. Panchet Powerhouse for DVC.
100. Icha Dam.

MADHYA PRADESH:

101. Satpura TPS.
102. Tons Road Bridge.
103. Bhilai Steel Plant.
104. Tons Hydel Project, Lot I & II
105. Road Bridge over Indravati River.
106. Bailadila Project

UTTAR PRADESH:

107. Maneri Bhali Hydel Project.
108. Civil Works for Narora Atomic Power Project.
109. Rihand Dam.
110. Civil Works and Chimney for Rihand STPP.
111. Sharda and Ghogra Barrages.
112. Yamuna Hydel Project.
113. Gomti Aqueduct.
114. Sai Aqueduct.
115. Varanasi Bridge.
116. Malvika Steel Works.

DELHI:

117. Water and Sewage Treatment Plants.

HIMACHAL PRADESH:

118. Power Tunnel and Underground Powerhouse for Chamera Hydel Power Project.
119. Head Race Tunnel for Nathpa Jhakri Joint Venture(*).

BHUTAN:

120. Construction of Concrete Dam and Appurtenant works for Kurichu Hydro-Electric project, Bhutan(*).

* PROJECTS IN PROGRESS.

COVER PAGE: Captions of Ennore Rock Quarrying & Transportation Works & Breakwater Projects:

Clockwise: 1. Blasting at Quarry Site. 2. Transportation of Rock. 3. Loading of Rock into skips at Melpakkam Transfer Station. 4. Karaikkal Quarry Site. 5. Stockpile area at Ennore Port. 6. South Breakwater. 7. Dredger being used for construction of Breakwater. 8. North Breakwater. 9. Casting yard for Accropode Moulds.

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

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BOARD OF DIRECTORS

Shri Ajit Gulabchand, Chairman & Managing Director
 Shri R. S. Shastri
 Shri Y. H. Malegam
 Shri Rajas R. Doshi
 Shri Bhalchandra R. Sule
 Shri D. M. Popat
 Shri S. R. Halbe
 Shri D. M. Savur
 Shri K. G. Tendulkar [Executive Director (operations)]
 Shri M. D. Khattar, [Executive Director (Construction)]

CHAIRMAN-EMERITUS

Shri Bahubali Gulabchand

COMPANY SECRETARY

Shri Vithal P. Kulkarni

AUDITORS

K. S. Aiyar & Co.
 Chartered Accountants

ADVOCATES & SOLICITORS

Mulla & Mulla and Craigie, Blunt & Caroe
 Kanga & Co.

BANKERS

State Bank of India
 Indian Bank
 State Bank of Patiala
 Union Bank of India
 Rafidian Bank — Iraq
 National Bank of Malawi
 Bank of Baroda
 Dena Bank
 The Vysya Bank Limited
 Global Trust Bank Ltd.
 ICICI Banking Corporation Ltd.
 Bank Internasional Indonesia
 IDBI Bank Ltd.

REGISTRAR & SHARE TRANSFER AGENTS

MCS Ltd.
 "Sri Venkatesh Bhawan",
 Plot No. 27, Road No. 11,
 MIDC Area,
 Andheri (East),
 Mumbai-400 093

REGISTERED OFFICE (upto Sept. 14, 1998)

Construction House,
 5, Walchand Hirachand Marg,
 Ballard Estate,
 Mumbai-400 001

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SUBSIDIARY COMPANIES

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Western Securities Ltd.	50-57

REGISTERED OFFICE (w.e.f. Sept. 15, 1998)

Hincon House,
 Lal Bahadur Shastri Marg,
 Vikhroli (West),
 Mumbai-400 083

ANNUAL GENERAL MEETING at 4.00 P.M. on Thursday, the 29th October, 1998 at Walchand Hirachand Hall, Indian Merchants' Chamber, Indian Merchants' Chamber Marg, Churchgate, Mumbai-400 020.



Notice

Notice is hereby given that the Seventysecond Annual General Meeting of the Shareholders of Hindustan Construction Company Limited will be held on Thursday, the 29th October, 1998 at 4.00 P. M. at Walchand Hirachand Hall, Indian Merchants' Chamber, Indian Merchants' Chamber Marg, Churchgate, Mumbai - 400 020, to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 30th June, 1998, and the Profit & Loss Account for the year ended as on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri Bhalchandra R. Sule, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Rajas R. Doshi, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:
"RESOLVED THAT M/s. K. S. Aiyar & Co., Chartered Accountants, Mumbai, the retiring Auditors of the Company, be and they are hereby reappointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on a remuneration as may be fixed by the Board of Directors of the Company."
6. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. K. S. Aiyar & Co., Chartered Accountants, Mumbai, the retiring Auditors of the Company, be and they are hereby reappointed as the Branch Auditor/s to audit the accounts of the Company's workspots/sites in India, required to be audited under Section 228 of the Companies Act, 1956, on such terms and conditions including remuneration as may be fixed by the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised, in consultation with the Company's Auditors to appoint Branch Auditor/s of the Company, to audit the accounts of the Company's workspots/sites within and outside India, present and future on such terms and conditions including remuneration as the Board of Directors may deem fit."

SPECIAL BUSINESS

7. 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 Sections 198, 269, 309, 310 and 311, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to such sanctions/approvals as may be necessary, the Company hereby accords its approval to the reappointment of and remuneration, perquisites and allowances payable to Shri K. G. Tendulkar, as the Executive Director (Operations) of the Company for a period of 5 years with effect from November 8, 1998, on the terms and conditions as set out in the draft Agreement to be entered into between the Company and Shri K. G. Tendulkar, as placed before this meeting and initialled by the Chairman for the purpose of identification.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to increase, alter and/or vary the remuneration and perquisites including the monetary value thereof as specified in the said draft Agreement to the extent the Board of Directors may consider appropriate, and as may be permitted or authorised in accordance with any provisions under the Companies Act, 1956, for the time being in force, provided however, that the remuneration payable to Shri K. G. Tendulkar shall be within the limits set out in the said Act including Schedule XIII to the said Act or any amendments thereto or any modifications or statutory re-enactment(s) thereof and/or any rules or regulations framed thereunder and the terms of the aforesaid Agreement between the Company and Shri K. G. Tendulkar shall be suitably modified to give effect to such variation or increase as the case may be.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to execute and sign the Agreement and other documents and take such steps as may be necessary and desirable to implement and give effect to the foregoing resolution."

8. 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 Sections 198, 309, 310 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, subject to other sanctions/approvals as may be necessary, the Company hereby accords its approval to increase the remuneration, perquisites and allowances payable to

Shri M. D. Khattar, Executive Director (Construction) of the Company with effect from September 1, 1998 till September 3, 2001, i.e. till the expiry of his term of office as the Executive Director (Construction) of the Company, upon the terms and conditions as set out in the draft Supplementary Agreement to be entered into between the Company and Shri M. D. Khattar, as placed before this meeting and initialled by the Chairman for the purpose of identification with the liberty to the Board of Directors to increase, alter and/or vary the terms within the overall limits of the aforementioned provisions including schedule XIII of the Companies Act or any amendment thereof, as they in their discretion deem fit.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to execute the Supplementary Agreement and take such steps as may be necessary and desirable to implement and give effect to the foregoing resolution."

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

"RESOLVED THAT subject to all applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof and any ordinance promulgated in this regard for the time being in force and as may be enacted/promulgated from time to time), and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, by Board of Directors of the Company (hereinafter referred to as the "Board"), the consent of the Company be and is hereby accorded to the Board to buy back any of its own fully paid equity shares (hereinafter referred to as Buy Back of "own equity shares"), from the existing shareholders of the Company, on a proportionate basis and/or from the open market and/or from the lots smaller than marketable lots of the shares(odd lots), from out of its free reserves, or out of the Share Premium Account of the Company or out of the proceeds of any issue made by the Company specifically for this purpose, or from such other sources as may be permitted by the law on such terms and conditions and in such manners as may be prescribed by law from time to time; provided that the aggregate of the equity shares so bought back/purchased shall not exceed 15% of the equity share capital of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised

to do all such acts, deeds, matters and things as the Board may in its absolute discretion, deem necessary or desirable and to settle all questions and matters arising out of, and incidental to the proposed buy back of "own equity shares".

RESOLVED FURTHER THAT nothing hereinabove 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."

10. 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 all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered as follows:

Insert the following Heading and Article as Article 14A after the existing Article 14

DEMATERIALISATION OF SECURITIES

14A Definitions

- (1) For the purpose of this Article :-

'Beneficial Owner' means a person or persons whose name is recorded as such with a Depository.

'SEBI' means the Securities & Exchange Board of India.

'Depository' means a company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as a Depository under the Securities & Exchange Board of India Act, 1992;

and

'Security' means such security as may be specified by SEBI from time to time.

Dematerialisation of Securities (2) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.

Options for Investors

- (3) Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the



securities with a Depository. Such a person who is the Beneficial Owner of the securities can at any time opt out of a Depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issued to the Beneficial Owner the required Certificate of Securities.

If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the security.

Securities in Depositories to be in fungible form

- (4) All securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial Owners.

Rights of Depositories and Beneficial Owners

- (5) (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the Beneficial Owner.
- (b) Save as otherwise provided in (a) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- (c) Every person holding securities of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a member of the Company. The Beneficial Owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in

respect of his securities which are held by a Depository.

Service of documents

- (6) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a Depository, the records of the Beneficial Ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

Transfer of Securities

- (7) Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

Allotment of Securities dealt with in a Depository

- (8) Notwithstanding anything in the Act or these Articles, where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.

Distinctive numbers of Securities held in a Depository

- (9) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.

Register and Index of Beneficial Owners

- (10) The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles."

By Order of the Board

VITHAL P. KULKARNI
Company Secretary

Registered Office:
Construction House,
5, Walchand Hirachand Marg,
Ballard Estate,
Mumbai - 400 001
Place : Mumbai
Dated : August 28, 1998

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NOTES

1. 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 THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, the 9th October, 1998 to Thursday, the 29th October, 1998 (both days inclusive).
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the meeting is annexed hereto and forms part of the Notice.
4. Dividend, if declared, will be payable to those members whose names appear on the Company's Register of Members as on 29th October, 1998.
5. Shareholders are requested to intimate the change in address if any, to the Company's Registrar and Share Transfer

Agents, M/s. MCS Ltd., at "Sri Venkatesh Bhawan", Plot No. 27, Road No. 11, MIDC Area, Andheri (East), Mumbai - 400 093.

6. The unclaimed dividends upto the Company's financial Year ended 30th June, 1994, have been transferred to the General Revenue Account of the Central Government pursuant to Sub-Section 5 of Sec. 205A of the Companies Act, 1956. Members who have not encashed their dividend warrants upto the financial year ended 30th June, 1994, are requested to claim the same from the Registrar of Companies, Maharashtra, Fancy Corporation Bldg. Hakoba Compound, Kalachowki, Mumbai - 400 033.

By Order of the Board

VITHAL P. KULKARNI
Company Secretary

Registered Office:
Construction House,
5, Walchand Hirachand Marg,
Ballard Estate,
Mumbai - 400 001

Place : Mumbai
Dated : August 28, 1998



Annexure to the Notice

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

Item No. 7

Shri K. G. Tendulkar was appointed as the Executive Director (Operations) of the Company with effect from November 8, 1993 for a period of 5 years and the present term of office of Shri K. G. Tendulkar as the Executive Director (Operations) of the Company would expire on November 7, 1998.

Considering his long association with the Company and valuable services rendered and efforts made by him for improving the operations of the Company, the Board of Directors at their meeting held on August 28, 1998 have reappointed him as the Executive Director (Operations) for a further period of 5 years with effect from November 8, 1998.

Your Directors are of the opinion that it is in the interest of the Company to reappoint him as the Executive Director (Operations) of the Company.

The Principal terms and conditions governing the payment of remuneration, perquisites and allowances proposed to be paid to Shri K. G. Tendulkar with effect from November 8, 1998 are set out in the draft Agreement referred to in the resolution.

The material provisions of the draft agreement are as under :

1. Period of Agreement :

5 years with effect from November 8, 1998.

2. Remuneration :

(a) Salary :

A Salary of Rs. 70,000-7,500-1,00,000 per month.

(b) Commission:

Commission on the net profits of the Company shall be allowed in addition to salary and perquisites, provided, however, that such commission shall not to exceed annual salary. The payment of commission shall be subject to the overall ceiling laid down in Sections 198 and 309 of the Companies Act, 1956.

3. Perquisites and Allowances:

In addition to the above, the Executive Director (Operations) shall be entitled to the following perquisites & allowances restricted to an amount equal to the annual salary.

(a) Housing I:

The expenditure by the Company on hiring furnished accommodation for the Executive Director (Operations) will be subject to the following ceiling.

Sixty percent of the salary, over and above ten percent payable by the Executive Director (Operations).

Housing II:

In case the accommodation is owned by the Company, ten percent of the salary of the Executive Director (Operations) shall be deducted by the Company.

Housing III:

In case no accommodation is provided by the Company, the Executive Director (Operations) shall be entitled to house rent allowance subject to the ceiling laid down in Housing I.

Explanation:

The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962. This shall, however, be subject to a ceiling of ten percent of the salary of the Executive Director (Operations).

(b) Medical Reimbursement :

Expenses incurred for the Executive Director (operations) and his family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

(c) Leave Travel Concession:

For the Executive Director (Operations) and his family once in a year incurred in accordance with the rules specified by the Company.

For the aforesaid purpose, "Family" means the spouse and the children of the Executive Director (Operations).

(d) Club Fees : Fees of Clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

(e) Personal Accident Insurance : Premium not to exceed Rs. 4,000/- p.a.

(f) Company's contribution to Provident Fund as per the rules of the Company.

- (g) Company's contribution towards Superannuation Fund as per the rules of the Company, but not exceeding 15% of the salary.

Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, to the extent these either singly or together are not taxable under the Income-tax Act, and encashment of leave at the end of the tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

- (h) Gratuity: Half a month's salary for each completed year of service.
- (i) Free use of a car with driver for the business of the Company and free telephone facility at residence.

Provision to use of Company's car for official duties and telephone at residence shall not be included in the computation of perquisites and allowances for the purpose of calculating the said ceiling.

- (j) Earned Leave: On full pay and allowances as per rules of the Company but not more than one month's leave for every eleven months of service.

4. Reimbursement of entertainment expenses incurred in the course of business of the Company.

5. **Minimum Remuneration :**

Notwithstanding anything hereincontained, where in any financial year, during the currency of the tenure of the Executive Director (Operations), the Company has no profits or its profits are inadequate, the Company may pay him the remuneration by way of Salary, Allowances & Perquisites as specified above.

The Agreement may be terminated by either party giving the other party six months notice in writing.

The Draft Agreement to be entered into between the Company and Shri K. G. Tendulkar 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 till the date of the ensuing Annual General Meeting.

Shri K. G. Tendulkar is concerned and/or interested in his reappointment as the Executive Director (Operations) and the remuneration payable to him. No other Director is concerned or interested in the resolution.

This may be treated as an abstract of the terms of reappointment of Shri K. G. Tendulkar as the Executive Director (Operations)

and Memorandum of Interest pursuant to Section 302 of the Companies Act, 1956.

Item No. 8

At the 70th Annual General Meeting of the members of the Company held on November 5, 1996, the members had approved the appointment of Shri M. D. Khattar as the Executive Director (Construction) of the Company. The Company has made improvement in its operations and workings thereafter. The Board of Directors are of the opinion that the remuneration payable to Shri M. D. Khattar should be as per the present industry standards and therefore, the Board at its meeting held on August 28, 1998 has, subject to the approval of shareholders at the Annual General Meeting revised the remuneration payable to Shri M. D. Khattar, with effect from September 1, 1998 till September 3, 2001 (i.e. till the remaining tenure of his appointment). The increase in remuneration payable to Shri M. D. Khattar is within the overall limits as provided under Sections 198, 309, 310 and other applicable provisions if any, including Schedule XIII of the Companies Act, 1956. The principal terms of revised remuneration, perquisites and allowances proposed for Shri. M. D. Khattar as set out in the draft Supplementary agreement as placed before the meeting are given hereunder.

1. **Remuneration :**

(a) *Salary :*

A salary of Rs. 70,000-15,000-1,00,000 per month.

(b) *Commission :*

Commission on the net profits of the Company shall be allowed in addition to salary and perquisites provided, however, that such commission shall not to exceed annual salary. The payment of commission shall be subject to ceiling laid down in Sections 198 and 309 of the Companies Act, 1956.

2. **Perquisites and Allowances:**

In addition to the above, the Executive Director (Construction) shall be entitled to the following perquisites and allowances restricted to an amount equal to the annual salary.

(a) *Housing I:*

The expenditure by the Company on hiring furnished accommodation for the Executive Director (Construction) will be subject to the following ceiling. Sixty percent of the salary, over and above ten percent payable by the Executive Director (Construction).



Housing II:

In case the accommodation is owned by the Company, ten percent of the salary of the Executive Director (Construction) shall be deducted by the Company.

Housing III:

In case no accommodation is provided by the Company, the Executive Director (Construction) shall be entitled to house rent allowance subject to the ceiling laid down in Housing I.

Explanation:

The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962. This shall, however, be subject to a ceiling of ten percent of the salary of the Executive Director (Construction).

(b) Medical Reimbursement :

Expenses incurred for the Executive Director (Construction) and his family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

(c) Leave Travel Concession:

For the Executive Director (Construction) and his family once in a year incurred in accordance with the rules specified by the Company.

For the aforesaid purpose "family" means the spouse and the children of the Executive Director (Construction).

(d) Club Fees : Fees of Clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

(e) Personal Accident Insurance : Premium not to exceed Rs. 4,000/- p.a.

(f) Company's contribution to Provident Fund as per rules of the Company.

(g) Company's contribution towards Superannuation Fund as per the rules of the Company, but not exceeding 15% of the salary.

Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, to the extent these either singly or together are not taxable under the Income-tax Act, and encashment of leave at the

end of the tenure shall not be included in the Computation of limits for the remuneration or perquisites aforesaid.

(h) Gratuity : Half a month's salary for each completed year of service.

(i) Free use of a car with driver for the business of the Company and free telephone facility at residence. Provision to use of Company's car for official duties and telephone at residence shall not be included in the computation of perquisites and allowances for the purpose of calculating the said ceiling.

(j) Earned Leave : On full pay and allowances as per rules of the Company but not more than one month's leave for every eleven months of service.

3. Reimbursement of entertainment expenses incurred in the course of business of the Company.

4. Minimum Remuneration :

Notwithstanding anything herein contained, where in any financial year, during the currency of the tenure of the Executive Director (Construction), the Company has no profits or its profits are inadequate, the Company may pay him the remuneration by way of Salary, Allowances and Perquisites as specified above.

The Draft Supplementary Agreement to be entered into between the Company and Shri M. D. Khattar 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 till the date of the ensuing Annual General Meeting.

Shri M. D. Khattar is concerned and/or interested in increase/ revision in terms of remuneration as stated above. No other Director is concerned or interested in the resolution.

This may be treated as an abstract of the terms of increase/ revision in remuneration payable to Shri M. D. Khattar as the Executive Director (Construction) and Memorandum of Interest pursuant to Section 302 of the Companies Act, 1956.

Item No. 9

The Companies Act, 1956 presently prohibits a Company from purchasing its own shares and securities. However, it is expected that the law may in future permit a Company to buy back its own securities (Buy Back of Securities).

It is proposed to buy back fully paid equity shares of the Company not exceeding 15% of the paid up equity capital of