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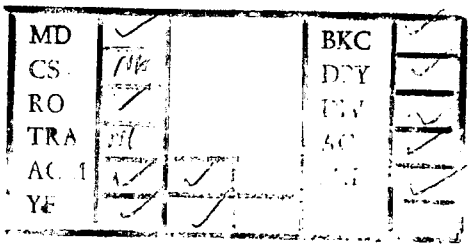

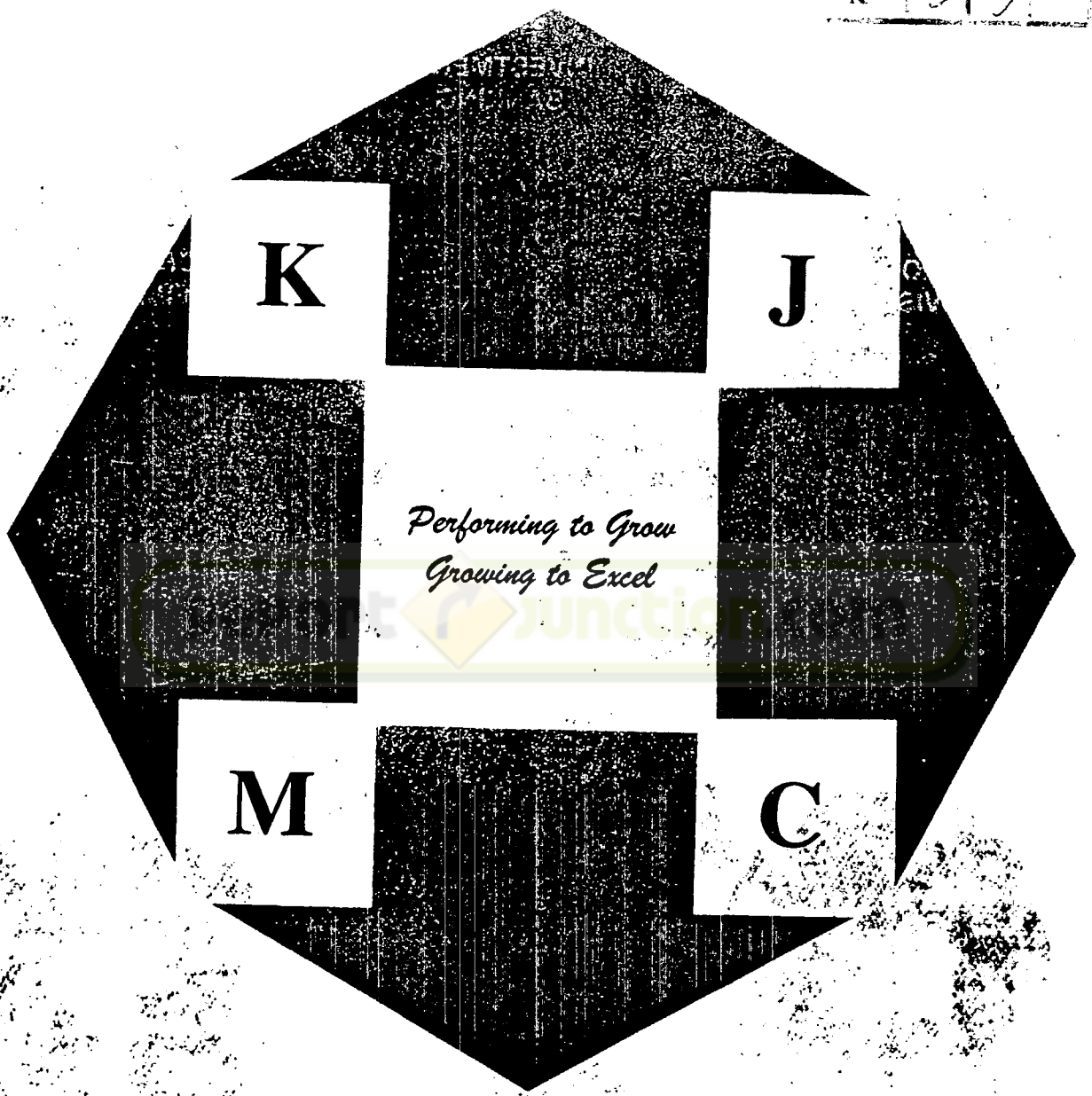

KJMC

FINANCIAL SERVICES LTD.

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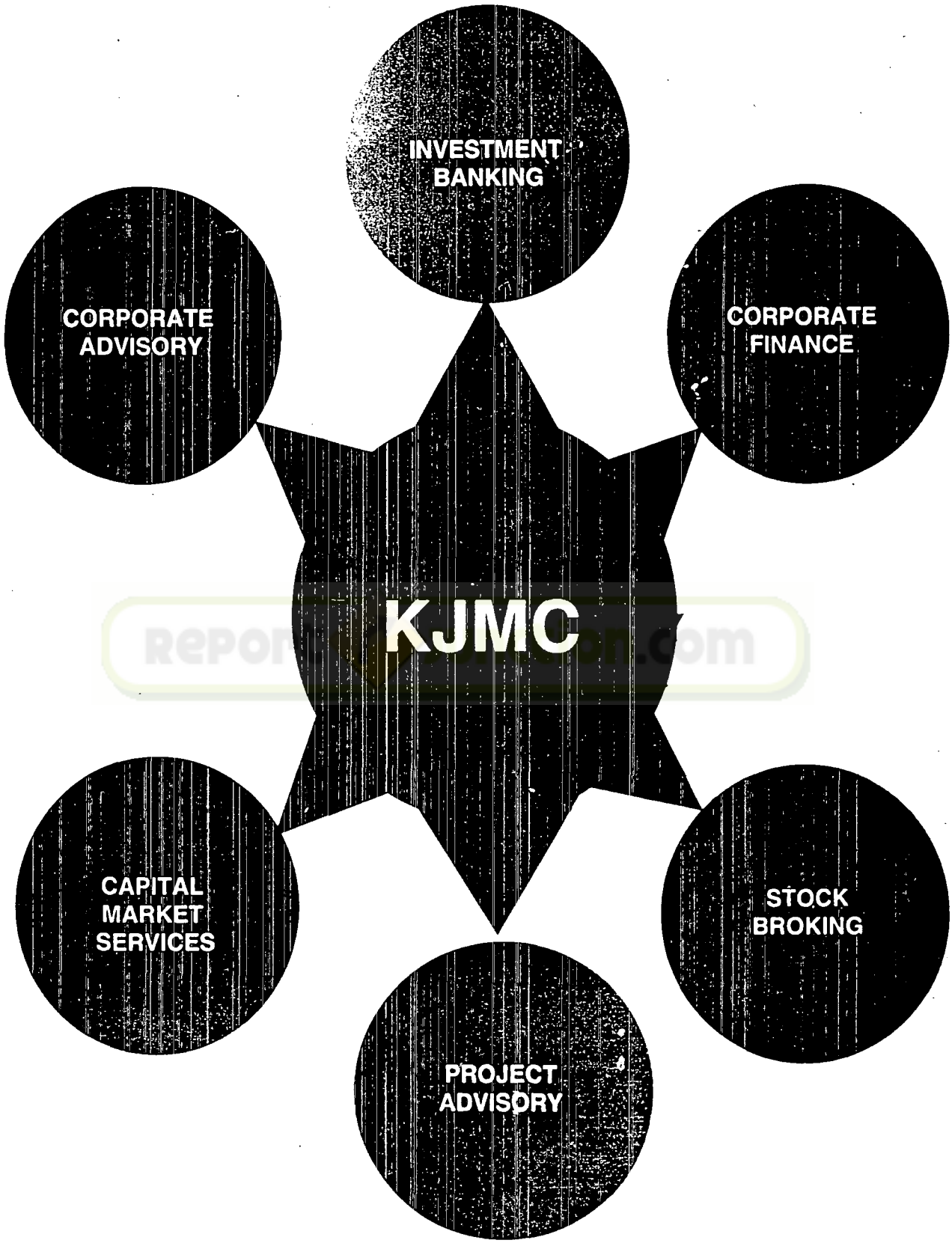

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KJMC FINANCIAL SERVICES LIMITED

BOARD OF DIRECTORS

Mr. I.C. Jain *(Chairman)*
Mr. J.S. Bhatnagar
Mr. V.N. Dhoot
Mr. Sunil Gandhi
Mr. Akshay Jain
Mr. Girish Jain
Mr. Mahendra N. Kampani
Mr. R.R. Kumar
Mr. Sanjay Maloo
Mr. Rajendra Somani
Mr. S.J. Taparia
Mr. Rajnesh Jain *(Alternate Director to Mr. Sunil Gandhi)*
Mr. Pankaj Jain *(Alternate Director to Mr. Sanjay Maloo)*

AUDITORS

Nitin V. Kulkarni & Co.
Chartered Accountants
10, Aradhna, V.S. Marg
Mahim, Mumbai - 400 016

ADVOCATES AND SOLICITORS

Malvi Ranchhoddas & Company
Yusuf Building, 3rd Floor
Mahatma Gandhi Road
Mumbai - 400 023

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BANKERS

UTI Bank Limited
Union Bank of India
Canara Bank
State Bank of India
United Commercial Bank

REGISTERED OFFICE

168 - Atlanta, 16th Floor
Nariman Point
Mumbai - 400 021

BRANCH OFFICES

NEW DELHI
221, Hans Bhavan
Bahadur Shah Zafar Marg
New Delhi - 110 002

CALCUTTA
16, Netaji Subhash Road
4th Floor, Calcutta - 700 001

JAIPUR
C-94, Lal Kothi Scheme
Jaipur - 302 015

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NOTICE

NOTICE is hereby given that the Ninth Annual General Meeting of the Members of KJMC Financial Services Limited will be held on Thursday, 25th September 1997 at 4.30 P.M. at S. K. Somani Memorial Hall, Hindi Vidya Bhawan, 79, Marine Drive, F. Road, Mumbai-400 020 to transact the following business :-

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 1997 and the Balance Sheet as at that date, and the Report of the Auditors thereon and the Directors' Report.
2. To declare Dividend.
3. To appoint a Director in place of Mr. Rajendra Somani, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Jagdish Swarup Bhatnagar, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Sanjay Maloo, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Batliboi & Purohit, Chartered Accountants, Mumbai as Auditors of the Company, in place of the retiring Auditors Nitin V. Kulkarni, Chartered Accountants, Mumbai who have expressed their inability to continue as Auditors ; who shall hold the Office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

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

   "RESOLVED THAT pursuant to the provisions of Section 94 and other applicable provisions, if any, of The Companies Act, 1956 the Authorised Share Capital of the Company be and is hereby increased from the present Rs. 40,00,00,000 (Rupees Forty Crores only) divided into 3,50,00,000 (Three Crore Fifty Lakhs only) Equity Shares of Rs. 10/- (Rupees Ten each) and 5,00,000 (Five Lakhs) Redeemable Preference Shares of Rs. 100/- each to Rs. 50,00,00,000 (Rupees Fifty Crores only) divided into 3,50,00,000 (Three Crore Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten) each and 15,00,000 (Fifteen Lakhs) Redeemable Preference Shares of Rs. 100/- (Rupees Hundred) each."

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

   "RESOLVED THAT existing Clause V of the Memorandum of Association of the Company relating to Share Capital be and is hereby altered by deleting the same and substituting in place and stead thereof, the following new Clause V :

   V. The Authorised Share Capital of the Company is Rs. 50,00,00,000 (Rupees Fifty Crores) divided into 3,50,00,000 (Three Crores Fifty Lakhs) only Equity Shares of Rs. 10/- (Rupees Ten) each and 15,00,000 (Fifteen Lakhs) Redeemable Preference Shares of Rs. 100/- each.

   The Company has power from time to time to increase or reduce its capital and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred qualified or other special rights, privileges, conditions or restrictions, as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any right, privileges or condition or restriction in such manner as may for the time being, be permitted, by the Articles of Association of the Company or the legislative provision for the time being in force in that behalf. "

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

   "RESOLVED THAT as per the provisions of The Companies Act, 1956, (including any statutory modifications or re-enactment thereof for the time being in force) and subject to such consents and such other approvals as may be necessary, including Central Government and / or Securities and Exchange Board of India or any other appropriate authorities , if any, consent of the Company be and is hereby accorded to the Board of Directors of the Company to sponsor an Asset Management Company and an Investment Trust Company.

   "RESOLVED FURTHER THAT the Board of Directors be and they are hereby authorised to do all such acts, matters, deeds and things as may be necessary, proper and expedient for the purpose of giving effect to this Resolution and for matters connected therewith."

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

    "RESOLVED THAT as per the provisions of The Companies Act, 1956, (including any statutory modifications or re-enactment thereof for the time being in force) and subject to such consents and such other approvals as may be necessary, including Central Government, Reserve Bank of India and / or Securities and Exchange Board of India , or any other appropriate authorities, if any, consent of the Company be and is hereby accorded to the Board of Directors of the Company to sponsor a Banking Company."

    "RESOLVED FURTHER THAT the Board of Directors be and they are hereby authorised to do all such acts, matters, deeds and things as may be necessary, proper and expedient for the purpose of giving effect to this Resolution and for matters connected therewith."

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

    "RESOLVED THAT in accordance with the provisions of the Section 293 ((e) and all other applicable provisions of The Companies Act, 1956, (including any statutory modifications or re-enactment thereof, for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors of the Company to contribute to Charitable and other funds , institutions not directly relating to the business of the Company or the welfare of its employees, any amounts upto a maximum of Rs. 25 lacs (Rupees Twenty Five Lacs only) per year.

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

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"**RESOLVED THAT** in accordance with the provisions of Sections 80, 81 and all other applicable provisions, if any, of The Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being inforce) and enabling provisions of the Memorandum & Articles of Association of the Company and subject to the approval of all other concerned authorities, if any, and to the extent necessary and such other approvals, permissions, sanctions, as may be required and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board") and / or a duly authorised committee thereof for the time being exercising the powers conferred by the Board, the consent of the Company be and is hereby accorded to the Board to offer / issue / allot Cumulative Preference Shares, whether convertible or non-convertible, of the face value of Rs.100/- each, of an aggregate nominal amount not exceeding Rs. 10 crores only with or without detachable or non-detachable warrants or any other financial instruments (hereinafter for brevity's sake referred to as "Securities") as the Board at its sole discretion may at any time or times hereafter decide, to such person or persons, whether or not shareholders of the Company, as the Board or Committee may at its sole discretion decide, including one or more of the members, promoters, debenture-holders, employees, Non-Resident Indians, Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs), bodies corporate, schedule / commercial / co-operative / regional rural banks, companies, private sector or public sector or other entities and corporation in one or more combinations thereof , whether through public issue, rights issue, private placement, preferential allotment, exchange of securities, conversion of loan or otherwise, in one or more tranches, at such price or prices as the Board or Committee thereof may in its absolute discretion think fit, in consultation with advisors or such persons and on such terms and conditions including the number of shares to be issued, rate of dividend, amount of premium / or discount, if any, on redemption, redemption period, manner of redemption, the ratio of exchange of Shares or Securities and matters incidental thereof."

"**RESOLVED FURTHER THAT** in the event of any equity shares being issued against the Securities, this resolution shall be deemed to have authorised the Board / Committee in terms of Section 81 of the Companies Act, 1956, to offer / issue / allot as many equity shares of the Company as are required for the purpose on such terms as the Board / Committee may in its sole discretion deem proper."

"**RESOLVED FURTHER THAT** subject to the guidelines of regulatory / statutory authorities issued from time to time , such of these Securities to be issued as are not subscribed may be disposed of by the Board/Committee thereof to such persons and in such manner and on such terms as the Board/Committee in its absolute discretion think most beneficial to the Company including offering or placing them with Banks/Financial Institutional/ Investment Institutions/ Mutual Funds/Foreign Institutional Investors/ Bodies Corporate/ such other persons or otherwise as the Board or Committee thereof may in its absolute discretion decide."

"**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board / Committee be and is hereby authorised to do all such acts, deeds, matters and things as it may be in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer/issue, allotment and utilisation of the proceeds, issue of securities and further to do all such acts, deeds, matters and things and to finalise and execute all documents and writings as may be necessary, proper, desirable or expedient as it may deem fit."

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

"**RESOLVED THAT** in accordance with the provisions of Section 81 and other applicable provisions, if any, of The Companies Act, 1956 and subject to such consents and such other approvals as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors (hereinafter referred to as "The Board" which term shall be deemed to include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution) or as may be prescribed or made in granting such consents and approvals and which may be agreed to by the Board, the Company through the Board do issue, in one or more tranches, in the international market, to Foreign Financial Institutions/ Foreign Investors / Non Resident Indians whether Institutions or Incorporated Bodies and/or Individuals / OCBs and / or otherwise / Companies / Insurance Company and / or to Foreign Investment Institutions, whether shareholders of the Company or not (hereinafter collectively referred to as "Investors") through a public issue and/or on private placement basis and / or preferential allotment basis, Equity Shares and / or Equity Shares in the form of Depository Receipts and / or Securities convertible into Equity Shares and / or Securities linked to Equity Shares and / or any other Share related instruments, including convertible bonds (hereinafter collectively referred to as "Securities") as may be thought fit, upto an amount not exceeding US $ 50 Million (rupee equivalent depending on exchange rate prevailing at the time of remittance of funds-presently equivalent to about Rs. 180 Crores) inclusive of such premium as may be payable on the Equity Shares, at such time or times, on such terms and at such price or prices as the Board in its absolute discretion deems fit. "

"**RESOLVED FURTHER THAT** the Company may enter into any arrangement with any agency or body authorised by the Company for the issue of Equity Shares and / or Equity Shares in the form of Depository Receipts and / or securities convertible into Equity Shares and / or Securities linked to Equity Shares and / or any other Share related instruments, including convertible bonds (hereinafter collectively referred to as "Securities"), issued by the Company with such features and attributes as are prevalent in the International Capital Market and to provide for the tradeability or free transferability thereof as per International practices and regulations and under the forms and practices prevalent in the International market.

"**RESOLVED FURTHER THAT** the Board be and is hereby authorised to issue and allot such number of additional Equity Shares as may be required in pursuance of the above issue, and that the Equity Shares so allotted shall rank in all respects pari passu with the existing Equity Shares of the Company save and except that :-

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(i) if prior to the issue of any of the Securities hereinabove mentioned, the Company is enabled, as a result of any legislative changes or enactments in India, to issue Equity Shares without voting rights attached to them (such shares hereinafter being referred to as the "Non -Voting Shares"), the Board may, at its absolute discretion issue the whole or any part of such Shares without voting rights upon such terms and conditions and with such rights and privileges annexed thereto as may be permitted by the relevant law and

(ii) such Equity Shares, which may be with or without voting rights, shall carry the right to receive either the full dividend or a pro-rata dividend from the date of allotment, as may be decided by the Board, declared for the financial year in which the allotment of the Shares shall become effective. "

"**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board of Directors or a Committee thereof be and is hereby authorised to determine the form and terms of the Issue, the Issue price, offer or allotment of securities and utilisation of the issue proceeds or in the borrowing of the loans as it may in its absolute discretion deemed fit and all other terms and matters connected therewith including the creation of mortgages and / or charges and to make and accept any modifications in the proposal as may be required by the authorities involved in such issue in India and abroad and to settle any questions or difficulties that may arise in regard to the Issue ; and that no further consent or approval of the Members or otherwise shall be necessary and that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution. "

"**RESOLVED FURTHER THAT** the consent of the Company be and is hereby granted in terms of Section 293(1)(a) and other applicable provisions, if any, of The Companies Act, 1956 and subject to all necessary approvals to the Board to secure, if necessary, all or any of the abovementioned securities to be issued, by the creation of a mortgage and / or charge on all or any of the Company's immovable and / or movable assets, both present and future in such form and manner and on such terms as may be deemed fit and appropriate by the Board."

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

"**RESOLVED THAT** subject to the approval of Reserve Bank of India and / or Central Government under Foreign Exchange Regulation Act, 1973 and subject to such other approvals, permissions and sanctions as may be considered necessary, consent of the Company be and is hereby accorded for purchase / acquisition of Equity Shares of the Company by Non-Resident Indians (NRIs), Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs), Non-Residents (NRs), etc., under the Investment Portfolio Scheme of the Reserve Bank of India and / or in accordance with all permissible rules, subject however, that the Equity Shares so purchased / acquired shall not exceed 30 % of issued Share Capital of the Company as issued from to time."

"**RESOLVED FURTHER THAT** the said purchase / acquisition of shares as aforesaid upto a limit of 30 % of issued Share Capital as issued from time to time shall be subject to the conditions and restrictions as laid under the Investment Portfolio Scheme and / or other permissible rules and guidelines for the time being in force and as amended from time to time."

"**AND RESOLVED FURTHER THAT** the Board of Directors be and they are hereby authorised to do all such acts, matters and things as may be necessary, proper and expedient for the purpose of giving effect to this Resolution and for matters connected therewith."

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

"**RESOLVED THAT** in terms of Section 81 and other applicable provisions, if any, of The Companies Act, 1956, and in accordance with the provisions of the Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges, where the shares of the Company are listed, and subject to the consent of all concerned authorities and departments if and to the extent necessary, and such other approvals, permission and sanctions as may be necessary, and subject to such conditions and modifications as may be prescribed in granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board"), at its sole discretion, the consent of the Company be and is hereby accorded to the Board to create, offer and issue, to or for the benefit of such person or persons (including Managing / Wholetime Directors) as are at the time of issue in the permanent employment of the Company, such number of equity shares of the Company of the face value of Rupees ten each, not exceeding in number at any time, in the aggregate, 3% of the issued equity shares of the Company at that time, as the Board may deem fit, for subscription for cash, in one or more tranches, on terms as may be fixed and determined by the Board prior to the issue and offer thereof in consultation with such authorities as may be prescribed or in accordance with such guidelines or other provision of law as may be prevailing at that time and otherwise ranking pari passu with the equity shares of the Company as then issued and in existence and on such other terms and conditions and at such time or times as Board may at its absolute discretion and in the best interest of the Company may deem fit; Provided further that the aforesaid issue of Equity Shares may instead be in the form of fully or partly convertible debentures, bonds, equity warrants or other securities as may be permitted in law, from time to time and which are generally regarded as an Employee Stock Option Instrument by the Board and the issuance of such securities in the aggregate will result in not more than 3% of the issued Equity Shares of the Company at that time; Provided also that the Board may in this behalf also make or formulate a scheme for the provision of monies by the Company for the purchase or subscription of the shares or other securities as above in such manner as may be permitted under law.

"**RESOLVED FURTHER THAT** for the purpose of giving effect to any issue or allotment of equity shares and / or fully or partly convertible debentures, bonds, equity warrants or other securities contemplated above, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may at its discretion deem fit or necessary or desirable for such purpose with power on behalf of the Company to settle any questions, difficulties, or doubts that

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may arise in regard to any such issue or allotment as it may in its absolute discretion deem fit."

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

"**RESOLVED THAT** pursuant to provisions of Section 293 (1) (a), read with the provisions of Section 393, 394, 395 and other applicable provisions, if any, of The Companies Act, 1956, consent of the Company be and is hereby granted to the Board of Directors of the Company to :

Sale, transfer, assign, spin off or dispose off, make an arrangement or scheme in accordance with the provisions of Section 393, 394 and 395 of the Companies Act. 1956, any of its Non fund based division of Company to Company or Companies which may or may not be Subsidiary Company of this Company. from a date to be decided by the Board of Directors and such date will be called the "Appointed date", on such terms and conditions as may be decided by the Board of Directors and for that purpose the Board of Directors shall have full power to implement the same and for that purpose to lease for such period (subject to renewal) or on hire for such further period or periods as the Board of Directors may from time to time decide and consider, proper and expedient with effect from the Appointed date to such body corporate for Office space and other assets / facilities etc. on the terms and conditions as may be contained in the Agreements to be entered into between the Company and such body corporate or body corporates as the Board of Directors of the Company in its absolute discretion may deem fit in the interest of the Company."

"**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board of Directors of the Company or any Committee of Directors as may be appointed by the Board for the purposes be and is hereby authorised to sign and execute such Agreements for Sale, transfer and / or Lease and / or hire and to take or perform all such steps. acts, deeds, matter and things as may be necessary, proper, desirable, or expedient to give effect to this resolution including entering into signing, executing, delivering of all Agreements, assignments, contracts, deeds, writings and instruments in any name for and on behalf of the Company.

"**RESOLVED FURTHER THAT** the Board of Directors be and are hereby also authorised to :

(a) To apply, complete and comply with all formalities, terms and conditions as may be laid down by appropriate regulatory authorities/statutory authorities for the purpose of sale, assign, spin off, dispose off, transfer different Licenses / Certificates, permissions, memberships in the name of a body corporate or body corporates.

(b) Appoint a firm of Chartered Accountants to value the cost or the transfer price of Non fund based Departments / Divisions at which the same is to be sold, transfered, assigned, spin off, disposed off, to a separate body corporate or body corporates.

(c) Accept and make in the interest of the Company all such modifications and alteration to the terms and conditions concerning any aspect of the sale, assign, spin off, dispose off, transfer of any tangible or intangible asset of the Company, including any other matter specified by the requisite Authority and to take all actions as may be necessary or desirable to effect to such modifications and alterations for the said purpose.

"**RESOLVED FURTHER THAT** in accordance with the provisions of Section 391 thru 395 of the Companies Act, 1956 and subject to the sanctioning of Court, consent of the Company be and is hereby accorded to any scheme of arrangement or reconstruction of the Company with the Memebrs or Creditors as may be approved by the Board for sale / transfer of any asset or liabilities of the Non fund based Departments / Divisions to such body corporate or body corporates and to get such body corporate or corproates listed with any Stock Exchange(s) as a part of the scheme of arrangement under the said provisions of the Companies Act, 1956, and other applicable statutes, as per sanction of the Court and other regulatory authorities.

"**RESOLVED FURTHER THAT** the Board of Directors of the Company or any Committee of Directors appointed by the Board be and is hereby authorised to settle any questions or difficulties or disputes that may arise in regard to the sale, transfer, assign, spin off , dispose off Non fund based Department(s) / Division(s) and that no further consent or approval of the Members or otherwise shall be necessary and that the Members shall be deemed to have given the approval thereto expressly by the authority of this Resolution."

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

RESOLVED THAT pursuant to Article 12 and other Articles of Association of the Company and subject to other statutory approvals, if any , and subject to the provision of the law as may be in force from time to time, the consent of the Company be and is hereby accorded to the Board of Directors to purchase / buy back in tranches or otherwise, any of its fully paid up Preference and / or Equity Shares, whether or not they are Redeemable and make payments either out of Capital or any other funds or debts raised for the specific purpose in respect of such purchase, as the Board at its sole discretion may at any time or times hereafter decide to the extent permissable under the Companies Act, 1956.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board of Directors be and is hereby authorised to determine the form and the terms of such purchase / buy back of the above said shares, the buy back price, offer and the quantity / quantum of purchase / buy back of the above said shares and all other terms and matters connected therewith and to make and accept any modification in the proposals as may be required by any authorities involved and to settle any questions or difficulties that may arise in regard to such purchase / buy back; and that no further consent or approval of the Members shall be necessary and that the Members shall be deemed to have given the approval thereto expressly by the authority of this resolution.

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

"**RESOLVED THAT** pursuant to Section 31 and all other applicable provisions, if any, of The Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force), the Articles of Association of the Company be and are hereby altered / added as under :-

A. **Article 2** of the Articles of Association shall include the following definitions at appropriate places :

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- **"Beneficial Owner"** shall mean beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996;
- **"Depositories Act, 1996"** shall include any statutory modification or re-enactment thereof; and
- **"Depository"** shall mean a Depository as defined under clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996.

B. In Articles 2 of the Articles of Association, the definition of "Member" shall be altered as follows:

"Member" means the duly registered holder from time to time of the stock or shares of the Company and includes the subscribers of the Memorandum of the Company and the beneficial owner(s) as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996."

C. **Article 4** of the Articles of Association shall include the following at the end :

"The Company shall be entitled to dematerialise its existing shares, rematerialise its shares held in the Depositories and / or to offer its fresh shares in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any."

D. **Article 19** of the Articles of Association shall be substituted by the following :

"The Company shall cause to be kept a Register and Index of Members in accordance with all applicable provisions of The Companies Act, 1956 and the Depositories Act, 1996 with details of shares held in material and dematerialised forms in any media as may be permitted by law including in any form of electronic media. The Company shall be entitled to keep in any State or Country outside India a branch Register of Members Resident in that State or Country. Every Member who changes his name or address shall give notice of the change of name(s) and full address to the Company."

E. **Article 20** the Articles of Association shall be substituted by the following :

"The shares in the capital shall be numbered progressively according to their several denominations, provided however, that the provision relating to progressive numbering shall not apply to the shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form. Except in the manner hereinbefore mentioned, no share shall be sub-divided. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished."

F. **Article 28** of the Articles of Association shall include the words "Provide however, no share certificate(s) shall be issued for shares held in a Depository" after the words "the amount paid thereon" mentioned in the first sentence.

G. **Article 66** of the Articles of Association shall be substituted by the following :

"In the case of transfer or transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in an electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply."

H. Following Article shall be inserted as Article 33 (3) of the Articles of Association and shall read as 33(3) as follows :

"Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall be entitled to treat the person whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any shares in the joint names of any two or more persons or the survivor or survivors of them."

I. Following Article shall be inserted as Article 66 A of the Articles of Association and shall read as follows :

66 A. "The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer of or transmission of any share held in material form."

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

"RESOLVED THAT subject to the approval of Regulatory Authorities or any other appropriate authority, if required, the consent be and is hereby accorded to the Company to delist its Equity Shares from The Stock Exchanges of Ahmedabad, Bhubaneshwar, Calcutta, Jaipur and the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things including execution of all forms, documents, receipts, and to comply with any formalities of any appropriate authorities if need be, and that no further consent or approval of the Members or otherwise shall be necessary for the purpose and that the Members shall be deemed to have given the approval thereto expressly by the authority of this Resolution."

20. To consider, and if thought fit, to pass, with or without modification, the following Resolution as a SPECIAL RESOLUTION :

"RESOLVED THAT subject to the provisions of the Act and all other applicable provisions of the law, as may be in force from time to time (including any statutory modification or re-enactment therof, and subject to such consents and such other approval as may be necessary), the consent of the Company be and is hereby given/accorded to the Board of Directors to issue equity and / or Preference shares or any type of shares with Preferential, deferred, qualified or any other special rights, privileges, conditions or restrictions and also as to dividends, voting rights or non-voting rights.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to determine the terms and conditions of issue of such different type of shares and to do all such Acts, matters, deeds and things as may be necessary, proper, expedient for the purpose of giving effect to this Resolution and for matters connected therewith, including settling any questions, difficulties or doubts that may arise in regards to such offers, issues, allotments as it may in its absolute discretion deem fit."

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NOTES :

A) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

The Instrument of Proxy should be deposited at the Registered Office of the Company not less than 48 hours before the meeting.

B) An Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of business under Items No. 7 to 19 set out above, is annexed hereto.

C) The Register of Members and Share Transfer Books of the Company will be closed from 20th September 1997 to 25th September 1997 both days inclusive, for the purpose of payment of Dividend.

D) The dividend on shares as recommended by the Directors for the year ended 31st March, 1997, if declared at the meeting, will be payable on or before 5th November 1997 to the eligible members.

E) With a view to provide protection against fraudulent encashment of Dividend Warrants, Members are requested to immediately inform the Company of their Bank Account No., Name and Address of the Bank, for incorporating of the same in the Dividend Warrant. Members will appreciate that the Company will not be responsible for any loss arising out of fraudulent encashment of Dividend Warrants or Warrants falling into improper hands or theft.

F) Members are requested to :

i) Quote their Folio No. in all correspondence with the Company.

ii) Notify immediately to the Company any change in their address and their mandates, if any. Pin Code Nos. at the end of address should positively be mentioned in order to ensure that postal authorities deliver the envelopes easily and on time.

iii) Any members requiring further information on accounts at the meeting are requested to send queries in writing by 12th September 1997, so that information required may be made readily available at the meeting.

iv) Handover the enclosed attendance slip, duly signed in accordance with their specimen signature registered with the Company, for admission to the meeting hall.

By Order of the Board of Directors

For **KJMC FINANCIAL SERVICES LIMITED**

MUMBAI
22nd August, 1997

GIRISH JAIN
Executive Director

REGISTERED OFFICE :
168, ATLANTA,
NARIMAN POINT,
MUMBAI 400021.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

The following Explanatory Statement sets out material facts relating to item of Special Business mentioned in the accompanying Notice dated 22nd August 1997 conveying the Annual General Meeting of the Company.

Item Nos. 7 & 8

In view of the proposed issue of Equity Shares in the form of Depository Receipts and / or securities convertible into Equity Shares and / or securities linked to Equity Shares etc. it is felt that the Authorised Share Capital of the Company should be raised to Rs. 50 Crores from the present Authorised Capital of Rs. 40 Crores and consequently Clause V of the Memorandum of Association of the Company will have to be amended as set out in the notice in accordance with the provision of the Section 16 and other applicable provisions if any, of The Companies Act, 1956.

A copy of the Memorandum and Articles of Association of the Company is available for the inspection at the Registered Office of the Company on any working day.

None of the Directors of the Company is concerned or interested in the said Resolution.
The Directors recommend passing of this Resolution.

Item No. 9

Your Company has received In-Principle letter from Security and Exchange Board of India (SEBI) dated 27th January 1997 wherein your Company has been allowed to sponsor an Assets Management Company. Members approval is being taken so that the Company can sponsor Assets Management Company and Investment Trust Company and hence the activities of Mutual Fund can be commenced at the earliest. As the proposal is in the interest of the Company, your Directors, commend the resolution at Item No. 9 of the Notice for your approval.

None of the Directors of the Company is concerned or interested in the Resolution.

The Directors recommend passing of this Resolution.

Item No. 10

An application had been made earlier to Reserve Bank of India by your Company to sponsor / form a Banking Company and to commence such activity on receipt of necessary approval from the concerned authorities. It is expected that such requisite approvals from the concerned authorities will be received in the near future. As the proposal is in the interest of the Company, your Directors, commend the resolution at Item No. 10 of the Notice for your approval.

None of the Directors of the Company is concerned or interested in the Resolution.

The Directors recommend passing of this Resolution.

Item No. 11

The Companies Act 1956 permits a Company to make contributions to charitable and other funds, institutions etc. not directly relating to the business of the Company or the welfare of its employees, provided the members of the Company approve of the same. Such contributions if approved would be a good social cause and in the larger interest of the society.
None of the Directors is in any way concerned or interested in the Resolution.
Directors therefore recommend the Resolution for approval of the shareholders.

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Item No. 12

In order to augment the resources of the Company for working capital and other requirements of funds including the growth plans of the Company, the Company has explored the possibility of issuing Cumulative Redeemable Preference Shares as one of the methods of raising resources. Further after the amendments which came into effect in the Income-Tax Act 1961, pertaining to Inter Corporate Dividends, various companies found it advantageous to subscribe to Cumulative Redeemable Preference Shares of the Company which was a tax planning measure. With this view in mind the said draft resolution has been put forth.

None of the Directors of the Company is concerned or interested in the said Resolution.

The Directors recommend passing of this Resolution.

Item No. 13

In the 8th Annual General Meeting members had approved /passed the said Resolution, the validity period of which ceased 3 months from the date of passing the said Resolution. In view of the depressed market conditions through out the last year it was not possible to raise funds from International market. The members are again approached to pass the said Resolution. The Special Resolution set out as Item No. 13 of this Notice concerns a proposal by the Company to issue Equity Shares / Equity Shares in the form of Depository Receipts / Preference Shares and / or convertible securities and / or other instruments or Securities representing the same, by way of an offering denominated in foreign currency to investors outside India (the "International Offer"). The purpose of the International Offer is to raise foreign exchange to finance the Working Capital requirements of the Company and capital goods imports, domestic purchases / installation of Plant / Machinery, if any, Equipment and Building, making strategic investments where these have been approved by competent authorities and other general corporate uses and for such other purposes as the Board may in the best interest of the Company decide at its sole discretion.

The detailed terms and conditions for the International Offer will be determined in consultation with the Lead Managers, Advisors and underwriters to be appointed by the Company. Shares issued pursuant to the International Offer will not exceed an aggregate face value of 51 % of the Share Capital of the Company or such percentages as may be approved by the Government and the Competent Authorities. Since the pricing of the Offering cannot be decided except at a later stage, it is not possible to state the price or the exact number of Securities or shares to be issued and hence an enabling Resolution in wide terms is proposed to give adequate flexibility and discretion to the Board / Committee to finalise the terms in consultation with the lead managers and underwriters or such other authority or authorities as need to be consulted including in relation to the pricing of the issue which will be a free market pricing and may be at a premium or discount to market price in accordance with the international practice.

The issue price of Securities issued pursuant to the International Offer will be determined at the time of the offering depending on the then prevailing market conditions.

Securities issued pursuant to the International Offer would be listed on the Luxembourg Stock Exchange and / or London Stock Exchange or any other Exchange(s) outside India and may be represented by Depository Receipts or other securities outside India.

The Special Resolution seeks to give the Board / Committee powers to issue and market any Securities issued pursuant to the International Offer, including for instance the power to issue such Securities in one or more tranche or tranches, at such time or times and at such price or prices as the Board may in its absolute discretion deem fit.

Section 81 of The Companies Act, 1956, provide , inter alia, that when it is proposed to increase the issued capital of a Company by allotment of further shares, such further shares shall be offered to the existing shareholders of the Company in the manner laid down in Section 81, unless the shareholders in a General Meeting decide otherwise.

The Listing Agreements with the Stock Exchanges provide, inter alia, that the Company, in the first instance, should offer all shares and the debentures to be issued by the Company for subscription, pro rata, to the Equity Shareholders unless the shareholders decide otherwise in a General Meeting.

Under the said Special Resolution, consent of the shareholders is being sought pursuant to the provisions of Section 81 and all other applicable provisions of The Companies Act, 1956 and in terms of the provisions of the Listing Agreements executed by the Company with various Stock Exchanges in India where the Company's Securities are listed.

The said Special Resolution will, if passed, will enable the Board on behalf of the Company to issue and allot Securities otherwise than on a pro rata basis to the existing shareholders, as permitted by Section 81 of The Companies Act, 1956.

The Board of Directors believes that the proposed International Offer will be in the best interest of the Company.

None of the Directors is in any way concerned or interested in the Resolution.

Directors therefore recommend the Resolution for approval of the shareholders.

Item No. 14

Earlier Non-Resident Indians (NRIs), Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs) and Non-Resident (NRs) were allowed to hold 24% of the Issued Equity Share Capital of a Company. The above limits has now been raised to 30% , subject to the approval of the Shareholders of the Company by way of Special Resolution. In case the Company offers such Equity Shares to the abovesaid Individuals and / or Body or Bodies Corporate or in a situation that abovesaid Individuals and / or Body or Bodies Corporates were to invest upto 30% of the Equity Share Capital, then approval of the Shareholders is necessary.

The Directors recommend passing of this Resolution.

None of the Directors of the Company is concerned or interested in the Resolution.

Item No. 15

With the liberalisation of the Indian Economy in the past few years and the consequent opening of the market to Multinational Companies requirement of attracting qualified, experienced and competent personnel has increased manifold. In order to retain such well qualified, experienced and competent personnel, it is suggested that the Company should introduce the Stock

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