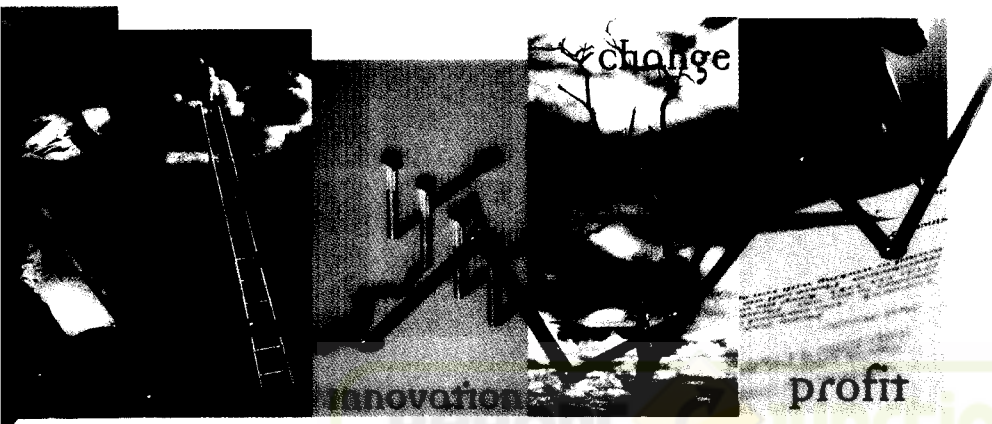


ANNUAL REPORT 2002-03



Building Bridges of Trust



KANORIA CHEMICALS & INDUSTRIES LIMITED



KANORIA CHEMICALS & INDUSTRIES LIMITED

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Forty-third Annual General Meeting of the Shareholders of **Kanoria Chemicals & Industries Limited** will be held at "**Sripati Singhania Hall**" in "**Rotary Sadan**", 94/2, Chowringhee Road, Kolkata-700 020, on Thursday, the 31st day of July, 2003 at 11.00 A.M., to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Profit & Loss Account of the Company for the year ended 31st March 2003, the Balance Sheet as at that date and the Reports of Directors and Auditors thereon.
2. To approve and declare Dividend on the Preference and Equity Shares for the year ended 31st March 2003.
3. To appoint a Director in place of Shri B.D. Sureka who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri A. Vellayan who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration and, in this connection, to pass the following as an Ordinary Resolution:

"RESOLVED that, pursuant to the provisions of Section 224A of the Companies Act, 1956, Messrs. Singhi & Co., Chartered Accountants, be and are hereby re-appointed 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, at a remuneration of Rs. 2,50,000 (Rupees Two lakhs fifty thousand only) plus travelling and other incidental expenses to be incurred by them in course of their audit."

SPECIAL BUSINESS:

To consider and, if thought fit, to pass, with or without modification(s), the following resolutions:

As Ordinary Resolutions:

6. **"RESOLVED** that Prof. S.L. Rao be and is hereby appointed a Director of the Company"
7. **"RESOLVED** that Shri G. Parthasarathy be and is hereby appointed a Director of the Company "
8. **"RESOLVED** that the consent of the Company be and is hereby accorded to the Board of Directors of the Company, in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 for mortgaging and/or charging of all the immovable and movable properties of the Company pertaining to its Renukoot Chemical Works Division (including Power Plant) situated at Renukoot, Dist. Sonbhadra (U.P.) and/or wheresoever situate, both present and future, and the whole of the undertaking of the Company's Renukoot Chemical Works Division and/or conferring power to enter upon and take possession of the assets of the Company's Renukoot Chemical Works Division, in certain events to or in favour of the following namely :
 - i. Industrial Development Bank of India (IDBI)
 - ii. Infrastructure Leasing & Finance Services Limited (IL&FS)
 - iii. IDBI Bank Limited (IDBI Bank)
 - iv. Export Import Bank of India (EXIM Bank)
 - v. Rabo India Finance Private Limited (RIF)

in order to secure the following financial assistance:

- i. Foreign Currency Loan not exceeding US \$ 2.10 millions (United States Dollars Two million one hundred thousand only) lent and advanced by IDBI to the Company;
- ii. Rupee Term Loan not exceeding Rs. 1050 lakhs (Rupees one thousand fifty lakhs only) lent and advanced by IL&FS to the Company;
- iii. Rupee Term Loan not exceeding Rs. 1000 lakhs (Rupees one thousand lakhs only) lent and advanced by IDBI Bank to the Company;
- iv. Foreign Currency Loan not exceeding US \$ 2 million (United States Dollars two million only) lent and advanced by EXIM Bank to the Company;
- v. Rupee Term Loan not exceeding Rs. 1000 lakhs (Rupees one thousand lakhs only) lent and advanced by RIF to the Company."

"RESOLVED FURTHER that the mortgage/charge created/to be created and/or all agreements/documents executed/to be executed and all acts done in terms of the above resolutions by and with the authority of the Board of Directors of the Company are hereby confirmed and ratified."

9. **"RESOLVED** that the consent of the Company be and is hereby accorded to the Board of Directors of the Company, in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 for mortgaging and/or charging of all the immovable and movable properties of the Company pertaining to its Ankleshwar Chemical Works Division, comprising of:

- i. Ankleshwar Chemical Works situated at 3407, GIDC Industrial Estate, Ankleshwar, District Bharuch (Gujarat);
- ii. Bio Compost Project situated at Village: Sengpur, Taluka: Ankleshwar, District: Bharuch (Gujarat);
- iii. Wind Farm Project situated at Village: Dhank, District: Rajkot (Gujarat).

and/or wheresoever situate, both present and future, and the whole of the undertaking of the Company's Ankleshwar Chemical Works Division and/or conferring power to enter upon and take possession of the assets of the Company's Ankleshwar Chemical Works Division, in certain events to or in favour of the following namely:

- i. Industrial Development Bank of India (IDBI)
- ii. Infrastructure Leasing & Finance Services Limited (IL&FS)
- iii. Rabo India Finance Private Limited (RIF)

in order to secure the following financial assistance:

- i. Foreign Currency Loan not exceeding US \$ 0.38 million (United States Dollars three hundred eighty thousand only) lent and advanced by IDBI to the Company;
- ii. Rupee Term Loan not exceeding Rs. 450 lakhs (Rupees four hundred fifty lakhs only) lent and advanced by IL&FS to the Company;
- iii. Rupee Term Loan not exceeding Rs. 1000 lakhs (Rupees one thousand lakhs only) lent and advanced by RIF to the Company."

"RESOLVED FURTHER that the mortgage/charge created/to be created and/or all agreements/documents executed/to be executed and all acts done in terms of the above resolutions by and with the authority of the Board of Directors of the Company are hereby confirmed and ratified."

10. **"RESOLVED** that the consent of the Company be and is hereby accorded to the Board of Directors of the Company, in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 for mortgaging and/or charging of all the immovable and movable properties of the Company pertaining to its Ankleshwar Chemical Works Division by way of additional Security comprising of:

- i. Wind Farm Project situated at Village: Dhank, District: Rajkot (Gujarat)
- ii. Bio Compost Project situated at Village: Sengpur, Taluka: Ankleshwar, District: Bharuch (Gujarat);

and/or wheresoever situate, both present and future, and the whole of the undertaking of the Company's Ankleshwar Chemical Works Division and/or conferring power to enter upon and take possession of the assets of the Company's Ankleshwar Chemical Works Division, in certain events to or in favour of the following namely:

- i. IFCI Limited (IFCI)
- ii. IFCI Limited as Trustees for the Debenture holders (9th Series)
- iii. UCO Bank (UCO)
- iv. Allahabad Bank (ALB)

in order to secure the following financial assistance:

- i. Rupee Term Loan not exceeding Rs. 1040 lakhs (Rupees one thousand forty lakhs only) lent and advanced by IFCI to the Company;
- ii. Rupee Term Loan not exceeding Rs. 465 lakhs (Rupees four hundred sixty-five lakhs only) lent and advanced by IFCI to the Company.
- iii. 4,00,000 - 14.5% Secured Non-Convertible Debentures (9th Series) of the aggregate value of Rs. 400 lakhs (Rupees four hundred lakhs only) privately placed with Life Insurance Corporation of India.
- iv. Working Capital Facilities/Financial Assistance not exceeding Rs. 550 lakhs (Rupees Five hundred fifty lakhs only) for Fund Based and Rs. 200 lakhs (Rupees Two hundred lakhs only) for Non Fund Based lent and advanced by Uco Bank
- v. Working Capital Facilities/Financial Assistance not exceeding Rs. 350 lakhs (Rupees Three hundred fifty lakhs only) for Fund Based and Rs. 100 lakhs (Rupees One hundred lakhs only) for Non Fund Based lent and advanced by Allahabad Bank

"RESOLVED FURTHER that the mortgage/charge created/to be created and/or all agreements/documents executed/to be executed and all acts done in terms of the above resolutions by and with the authority of the Board of Directors of the Company are hereby confirmed and ratified."

As Special Resolutions:

11. **"RESOLVED** that in accordance with and subject to the provisions of Section 198, 269, 309, 310 & 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") consent and/or approval of the shareholders of the Company be and is hereby accorded to the re-appointment of Shri R.V. Kanoria as Managing Director of the Company for the three (3) year-term, commencing from 10th January,

2003 till 9th January, 2006 and to his receiving remuneration by way of salary, commission, perquisites and/or allowances as Managing Director upon the terms, conditions and stipulations contained in the Draft Agreement to be entered into between the Company of the ONE PART and Shri R.V. Kanoria of the OTHER PART and also set out in the explanatory statement attached to the notice convening the 43rd Annual General Meeting of the Company (a draft whereof is placed before the meeting and for the purpose of identification initialled by the Chairman of the Remuneration Committee) which Agreement is specifically approved and sanctioned with liberty to the Board of Directors to alter, vary and modify the terms, conditions and stipulations of the said re-appointment of Shri R.V. Kanoria, as a Managing Director and/or remuneration payable to him and/or agreement as may be agreed to between the Board of Directors and Shri R.V. Kanoria, provided however that the remuneration payable to Shri R.V. Kanoria shall not exceed the maximum limits for payment of managerial remuneration specified in Schedule XIII to the said Act or any amendment thereto as may be made from time to time or the laws or guidelines as may for the time being in force."

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby vested with the sole authority and discretion to consider, grant and/or sanction an annual increment of up to 20% of the existing salary as the Board may consider fit and proper to Shri R.V. Kanoria."

"RESOLVED FURTHER that where in any financial year, during his term of office, the Company makes no profits or its profits are inadequate, the Company may pay Shri R.V. Kanoria minimum remuneration by way of salary, perquisites and/or allowance subject to the maximum ceiling calculated in accordance with the scale laid down in Schedule XIII to the Companies Act, 1956, as applicable to the company at the relevant time and as may be agreed to by the Board of Directors of the Company and acceptable to Shri R.V. Kanoria, as Managing Director."

"RESOLVED FURTHER that in the event of any statutory amendment, modifications, substitutions, relaxation or re-enactment by the Central Government to Schedule XIII to the said Act, the Board of Directors of the Company be and is hereby authorised and empowered to vary, alter or increase the remuneration including salary, commission, perquisites and/or allowances within the maximum limits for payment of managerial remuneration specified in Schedule XIII to the said Act in force for the time being or any statutory amendment or re-enactment thereto as may be made from time to time or the laws/guidelines in force for the time being".

"RESOLVED FURTHER that the Board of Directors be and is hereby authorised to do and perform all such acts, deeds, matters and things as may be considered necessary desirable or expedient to give effect to this resolution."

12. **"RESOLVED** that pursuant to Section 163 of the Companies Act, 1956, the Company hereby approves that the Register of Members, Indices, Returns and copies of Certificates and documents, instead of being kept at the Registered Office of the Company at "Park Plaza", 71, Park Street, Kolkata 700 016 be kept at the office of Company's Registrars and Transfer Agents, CB Management Services Pvt. Limited, P-22, Bondel Road, Kolkata—700 019, where the necessary Registers, Indices, Returns as mentioned above shall remain open for inspection between 11.00 A.M. and 1.00 P.M. on all working days except on Saturdays."

Registered Office:
"Park Plaza"
71, Park Street,
Kolkata - 700 016
15th May 2003

By order of the Board,

B.P. DHANUKA
Company Secretary

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. SUCH 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 Explanatory Statement, as required under Section 173 of the Companies Act, 1956, is annexed hereto.
3. The Register of Members and Share Transfer Books in respect of Equity Shares of the Company will remain closed from 16th July 2003 to 31st July 2003, (both days inclusive).
4. Members are requested to produce the enclosed attendance slip duly signed as per the specimen signature recorded with the Company for admission to the meeting hall.
5. Members, who hold shares in de-materialised form, are requested to bring their Client ID and DP ID Nos. for easier identification of attendance at the meeting.
6. Members holding shares in physical form are requested to inform the Company for changes, if any, in their address or Bank particulars so that the same can be incorporated in the dividend warrant and in case their shares are held in dematerialised form, this information should be furnished to their respective Depository Participants immediately.
7. Shareholders desirous of availing the facility of Electronic Credit of Dividend are requested to fill up the ECS form attached to this Annual Report.
8. In all correspondence with the Company, members are requested to quote their folio numbers and in case their shares are held in the dematerialised form, they must quote their Client ID Number and their DP ID Number.
9. Dividend on Equity Shares as recommended by the Board, if declared at the meeting, will be paid:
 - a. to those members whose names appear in the Register of Members of the Company, after giving effect to all valid share transfers in physical form lodged with the Company on or before 15th July, 2003; or
 - b. in respect of shares held in electronic form, to those "deemed members" whose names appear on the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), at the end of business hours on 15th July 2003.
10. In accordance with the provisions of Section 205A of the Companies Act, 1956, the Company has, from time to time, transferred unclaimed/ unpaid dividends relating to the years up to 31st March, 1995, to the General Revenue Account of the Central Government.
11. In accordance with the provisions of Section 205C of the Companies Act, 1956, the unclaimed/unpaid dividends relating to years ended 31st March, 1996, 1997, 1998, 1999, 2000, 2001 and 2002 will be transferred to Investor Education & Protection Fund on 25th October, 2003, 6th November, 2004, 12th October, 2005, 21st October, 2006, 5th October, 2007, 5th October, 2008 and 9th October, 2009 respectively. Members who have a valid claim to any of the unclaimed/ unpaid dividends, for these years are requested to lodge their claim with the share Department of the Company at its Registered Office.
12. Pursuant to Section 109A of the Companies Act, 1956, Shareholders may file Nomination in respect of their shareholding in the prescribed Form 2B (in duplicate).
13. Members are requested to bring their copy of the Annual Report to the meeting.

14. Appointment/Re-appointment of Directors:

Shri B.D. Sureka and Shri A. Vellayan retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. Prof. S.L. Rao and Shri G. Parthasarathy, appointed as Additional Directors by the Board of Directors, are proposed to be appointed as Directors by the shareholders at the ensuing Annual General Meeting, as required under the Companies Act, 1956. The information and/or details to be provided under the Corporate Governance code for the aforesaid directors are as under:

Shri B.D. Sureka:

Shri B.D. Sureka, aged about 73 years, is a Graduate from Calcutta University. He is a reputed real estate developer. He has rich experience of nearly five decades. He is on the Board of Pragati Estates Limited, Park Hospitals Limited, Kemrub Limited, Amrapali Business Combines Limited, Park Chambers Limited, Perman & Hynd Pvt. Limited, Sadhana Properties Pvt Limited, Park Services Pvt. Limited, Sureka Estates Limited, Vishal Developers & Builders Pvt Limited, Hartex Polymers Pvt Limited, and Hartex Rubber Limited

Except Shri B.D. Sureka, no other Director is interested in the resolution.

Shri A. Vellayan:

Shri A. Vellayan, aged about 50 years, is the Director (Marketing) of Murugappa Group of Companies. He holds diploma in Industrial Administration from the University of Aston, UK and Masters Degree in Business Studies from University of Warwick Business School, UK. He is the President of All India Cycle Manufacturers Association and Vice President of The Southern India Chamber of Commerce & Industry. He is on the Board of Ambadi Enterprises Limited, Bundy India Limited, Indfrag Biosciences Limited, Parry Murray & Co. Limited (UK), Parry Engineering & Exports Limited, Corromandal Fertilizers Limited, EID Parry (India) Limited, Fertiliser Association of India Limited, Laserwords Pvt Limited, Parry & Co. Limited, The Mofussil Warehouse & Trading Co. Limited, Cholamandalam Investment & Finance Co. Limited

Except Shri A. Vellayan, no other Director is interested in the resolution.

Prof. S.L. Rao:

Prof. S.L. Rao, aged about 67 years, is a Columnist and Consultant. He is B.Com from Bombay University and M.A. (Economics) from Delhi School of Economics. He is the Chairman, Board of Studies, Centre for Management Education, All India Management Association, New Delhi and Trustee of consumer Education & Research Centre, Ahmedabad. He is the author of many Books and was awarded the Ravi J Mathai National Fellowship for 2000-01 (for contribution to management and management education) by the Association of Indian Management Schools. Earlier he was on the Board of IFCI Limited and SBI Assets Management Co. Limited, and on the Advisory Board of ANZ Grindlays Bank Limited He was the first Chairman of Central Electricity Regulatory Commission, New Delhi. He is on the Board of HEG Limited, Uttarachal Jal Vidyut Nigam Limited, Tata Honeywell Limited, Rane Engine Valves Limited, Trust Capital Finance Limited, Rain Calcining Limited and BSES Limited.

Shri G. Parthasarathy:

Shri G. Parthasarathy, aged about 63 years, is a retired Government Officer in Indian Foreign Service. He is B.E. (Electrical) from the College of Engineering, Guindy, Madras. He was High Commissioner of India in Cyprus from 1990-1992, Ambassador of India to Myanmar in 1992-1995, High Commissioner of India to Australia

1995-1998 and appointed as High Commissioner to Pakistan in 1998 while retiring from Service on May 31, 2000. He is currently an Honorary Visiting Professor in the Centre for Policy Research in New Delhi and a Member of the Editorial Board of the Indian Defence Journal apart from writing extensively for a number of newspapers in India and abroad. He is also a commentator of Foreign Policy and Security Issues on a number of television channels.

Explanatory Statement pursuant to Section 173 of the Companies Act, 1956:

Re. Item Nos. 6 & 7:

Prof. S.L. Rao and Shri G. Parthasarathy were appointed as Additional Directors of the Company with effect from 25th October 2002 and 14th May 2003 respectively and as such they shall hold office only up to the date of ensuing Annual General Meeting. They are not retiring Directors. Pursuant to Section 257 of the Companies Act, 1956 the Company has received notices from the members signifying their intention to propose the candidature of Prof. S.L. Rao and Shri G. Parthasarathy for the Directorship of the Company. The Ordinary Resolutions being item Nos. 6 & 7 set out in the convening Notice is intended for the said purpose.

None of the Directors of the Company, except Prof. S.L. Rao and Shri G. Parthasarathy is interested in the resolution.

Re: Item Nos. 8, 9 & 10:

The Company has undertaken a debt restructuring exercise to replace its high cost debt by fresh low cost debt. Accordingly, the Company made fresh borrowings as mentioned in item Nos. 8 & 9 for which mortgage(s) and charge(s) on the properties of Renukoot Chemical Works Division and/or Ankleshwar Chemical Works Division are to be created. Additional Security on the lands of Ankleshwar Chemical Works Division as mentioned in item No. 10 is required to be created in favour of the Lenders.

Section 293 (1) (a) of the Companies Act, 1956 provides, inter alia, that the Board of Directors of a Public Limited Company shall not, without the consent of the Company in General Meeting, sell, lease or otherwise dispose of, the whole or substantially the whole of the undertaking of the Company or, where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertakings. Since the mortgage(s)/ charge(s) created/to be created by the Company on its movable and immovable properties, as stated in Item Nos. 8, 9 & 10 of this Notice, may be considered to be disposal of the Company's properties/undertaking within the meaning of Section 293(1)(a) of the Companies Act, 1956 it is, therefore, necessary to obtain consent of Shareholders for the creation of such mortgage and/or charge.

The Board, therefore, recommends the resolutions for the approval of the Shareholders.

Copies of the relevant documents are open for inspection at the Registered Office of the Company on any working day between 11 A.M. and 1 P.M.

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

Re: Item No. 11:

The present term of Shri R.V. Kanoria as Managing Director of the Company expired by efflux of time on 10th January 2003.

Shri R. V. Kanoria, aged about 49 years is an industrialist and currently the Chairman & Managing Director of the Company. He is a science graduate and holds MBA (Hons) degree from Switzerland. He possesses 29 years of

commercial and industrial experience. He is on the Board of Directors of other Companies, viz. The Pradeshia Industrial & Investment Corporation of U P Limited, India Trade Promotion Organisation, KPL International Limited, KPL (Europe) S.A., Cholamandalam Investment & Finance Company Limited, Nav-Jyoti Investment And Dealers Limited and Kirtivardhan Finvest Services Limited.

Having regard to the long association of Shri R.V. Kanoria with the Company and all round growth in performance of the Company under his management, Board of Directors at its meeting held on 9th day of December, 2002 has re-appointed Shri R.V. Kanoria, as Managing Director of the Company for a fresh term of (3) three years commencing from 10th January, 2003 to 9th January, 2006. His appointment and remuneration fixed in accordance with Schedule XIII to the Companies Act, 1956 ("the Act") are subject to the approval of the Shareholders for which purpose Special Resolution as set out in the Notice under item No. 11 is proposed.

The Board of Directors after considering the recommendation of Remuneration Committee has fixed the following remuneration to be paid to the Managing Director during the fresh term with power to make such variation or increase therein as may be thought fit from time to time, but within the ceilings laid down in Schedule XIII of the said Act, or any statutory amendment or relaxation thereof;

REMUNERATION:

Shri R.V. Kanoria shall in consideration of his services will be entitled to the following by way of remuneration.

- (a) Salary : At the rate of Rs.1,50,000 (Rupees One lakh Fifty thousand only) per month (The Board may at its sole discretion consider and grant an annual increment of up to 20% of the last drawn salary).
- (b) Commission : At the rate of 2% (Two percent) of the net profits of the Company for each financial year computed in the manner laid down in Section 198 and 309 of the Companies Act, 1956, and shall be payable on pro-rata basis for any broken period/year.
- (c) Perquisites : Shri R.V. Kanoria will be entitled to the following perquisites in addition to salary and commission restricted to an amount equal to his Annual salary.

Unless the context otherwise requires, perquisites are classified into three categories A, B and C as follows:

CATEGORY -A:

This will comprise of house rent allowance, leave travel concession, medical reimbursement, fees of clubs and personal accident insurance. These may be provided for as under:

Housing:

- i) Residential Accommodation or House Rent Allowance at the rate of 60% of salary.
- ii) Expenses pertaining to Gas, Electricity, Water will be borne/reimbursed by the Company.
- iii) Company shall provide such furniture, fixtures and furnishings as may be approved by the Board of Directors from time to time.

Medical Reimbursement:

Reimbursement of actual medical expenses incurred in India and/or abroad including cost of travel, hospitalisation, nursing home and surgical charges for himself and family.

Leave/ Holiday Travel Expenses:

Reimbursement of all the expenses incurred during Leave/Holiday Travel period in respect of himself and family while proceeding on leave/holiday to any place in India or abroad subject to a ceiling of one month's salary per annum. The entitlement in respect of any one year to the extent not availed of shall be allowed to be accumulated up to the next two years.

Club Fees:

Fees of Clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

Personal Accident Insurance:

Of an amount, the annual premium of which does not exceed Rs.20,000 per annum.

CATEGORY-B:

Contribution to Provident Fund, Superannuation Fund and Annuity Fund:

Company's contribution to Provident Fund and Superannuation or Annuity Fund not exceeding 30% of salary in aggregate.

Gratuity

Gratuity at the rate of half month's salary for each completed year of service.

Leave

Leave with full pay or encashment thereof as per rules of the Company.

CATEGORY-C:**i) Conveyance facilities**

Company shall provide suitable conveyance facilities as may be required by the Managing Director.

ii) Communication facilities

Company shall provide telephone, telefax and other communication facilities at the Managing Director's residence as may be required.

Other Perquisites

Subject to the overall ceiling on remuneration as mentioned herein below, the Managing Director may be given other allowances, benefits and perquisites as the Board of Directors may, from time to time, decide.

Perquisites shall be evaluated as per Income Tax Rules, 1962, wherever applicable and in the absence of any such rules, perquisites shall be valued at actual cost.

Overall Remuneration:

Subject to an overall limit of 5% of the net profits individually and 10% of the net profits collectively payable to all the managerial personnel together, as calculated in accordance with section 198 and 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act, as may be applicable at the relevant time.