

FORTIETH ANNUAL REPORT

2000-2001

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Siel Limited

Siel

BOARD OF DIRECTORS

Mr. Bhalla P. K.

- *Whole-time Director and Company Secretary*

Mr. Mehra A. K.

- *Whole-time Director*

Prof. Mohan Dinesh

Mr. Shriram Krishna

- *Chairman*

Mr. Singh K. P.

- *Whole-time Director*

BANKERS

Punjab National Bank

State Bank of India

State Bank of Hyderabad

AUDITORS

A. F. Ferguson & Co.

Scindia House,

New Delhi - 110 001

REGISTERED OFFICE

15, Shivaji Marg,

New Delhi - 110 015



NOTICE

Notice is hereby given that the 40th Annual General Meeting of the members of Siel Limited will be held as scheduled below:

Day : Saturday
Date : 30th March 2002
Time : 10.00 A.M.
Place : 15, Shivaji Marg,
New Delhi – 110 015

to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as at 30th September, 2001 and the Profit and Loss Account of the Company for the year ended on that date and the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. K.P. Singh, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Prof. Dinesh Mohan, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors to fix their remuneration and the mode of payment.

M/s. A.F. Ferguson & Co., Chartered Accountants, are the retiring Auditors.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

“RESOLVED that Mr. Krishna Shriram who was co-opted as an Additional Director of the Company under Article 86 of the Articles of Association of the Company and who holds such office upto the date of this Annual General Meeting and in respect of whom the Company has received notice in writing, pursuant to Section 257 of the Companies Act, 1956, proposing his candidature to the office of Director, be and is hereby appointed as a Director of the Company”.

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION :

Siel Limited

NOTICE (Contd.)

"RESOLVED that pursuant to Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 the permission and approval of the Company be and is hereby given to the Board of Directors of the Company to sell or otherwise dispose off the undertaking of Titawi Sugar Complex, a unit of the Company situated at Village & P.O. Titawi, Distt. Muzaffarnagar, U.P. to Sir Shadi Lal Enterprises Limited on the terms and conditions as contained in the Agreement dated 22.2.2002 entered into with them.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to take all necessary actions and steps to give effect to this resolution."

By Order of the Board of Directors
For **Siel Limited**

(**P.K. BHALLA**)
Wholetime Director &
Company Secretary

Place : New Delhi
Dated : 22.2.2002

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY 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 THEN FORTY EIGHT HOURS BEFORE THE MEETING. A PROXY FORM IS APPENDED WITH THE ADMISSION SLIP.
2. The information as required to be provided under the Listing Agreement entered into with various Stock Exchanges, regarding the Directors who are proposed to be appointed/re-appointed and the Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business under Item Nos. 5 and 6 set out above are annexed hereto.
3. In respect of Item No.6, the approval of the shareholders is being sought through the Postal Ballot, as required under Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001 for which a separate ballot paper and other communication is circulated to the members alongwith this notice.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 26.3.2002 to 30.3.2002 (both days inclusive).
5. Members are requested to notify immediately any change in their addresses to the Legal & Secretarial department of the Company situated at 15, Shivaji Marg, New Delhi - 110015 quoting their folio numbers.

NOTICE (Contd.)

6. Documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days (Monday to Friday) between 11.00 A.M. and 1.00 P.M. upto the date of Annual General Meeting and will also be available for inspection at the meeting.
7. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
8. Shareholders seeking any information with regard to accounts are requested to write to the Company at least ten days in advance so as to enable the Company to keep the information ready.
9. Pursuant to the provisions of Section 205A of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 1999, the amount of dividend which remains unpaid or unclaimed for a period of 7 years from the date of transfer to unpaid dividend account of the Company would be transferred to the Investor Education and Protection Fund, constituted by the Central Government and the shareholders would not be able to claim any amount of dividend so transferred to the fund. As such, shareholders who have not yet encashed their dividend warrants are requested in their own interest to write to the Company immediately for claiming outstanding dividends declared by the Company for the Financial Year 1996-97.

In respect of the unclaimed dividends upto financial year 1994-95, already transferred by the Company to the General Revenue Account of the Central Government, shareholders may claim the same by writing to the Registrar of Companies, NCT of Delhi & Haryana, Paryavaran Bhawan, CGO Complex, Lodhi Road, New Delhi - 110003. In case any assistance is required, please write to the Company, at its Registered Office.

10. In terms of Section 109 (A) of the Companies Act, 1956 the Shareholder/Debentureholder of the Company may nominate a person to whom the shares or debentures held by him shall vest in the event of death.

In case you wish to avail the nomination facility in respect of shares/debentures held by you, please write to the Company to obtain the nomination form.

11. The equity shares of the Company have been notified for compulsory trading in demat form by all investors from 27th November, 2000 and are available for trading in demat form both on National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Shareholders are requested to avail this facility and get their shareholding converted into dematerialised form by sending the Dematerialisation Request Form (DRF) along with the share certificates through their Depository Participant (DP) at the following address:

Mr. Sushil Kumar Jain
Asst. General Manager
Legal & Secretarial Department
Siel Limited
15, Shivaji Marg
New Delhi - 110015.

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NOTICE (Contd.)

INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT

As required under the Listing Agreement, the particulars of Directors who are proposed to be appointed/reappointed are as given below:

1. **Name** : Mr. K.P. Singh
- Age** : 65 years
- Qualifications** : M.A. in History and Political Science
- Expertise** : Vast experience of working at senior position in various Companies like Zuari Agro Chemicals Ltd. (a Birla Group Company), ITC Limited and DCM Limited. Instrumental in implementation of growth and diversification of these Companies. Director of the Company since 1990.
- Outside Directorships** : M/s. Sowar Pvt. Ltd.
M/s. SRK Travels & Tours Pvt. Ltd.
- Membership/Chairmanship of the Board Committees of the Company** :

- Audit Sub-Committee	- Member
- Shareholders/Investors Grievance/Share Transfers/Banking Committee	- Member
- Business Review Committee - Jay Engineering Works Ltd.	- Member
- Allotment of Equity Shares on Preferential basis and also NCDs/RCCPS to FIs/Banks	- Chairman
2. **Name** : Prof. Dinesh Mohan
- Age** : 56 years
- Qualifications** : Ph.D. and M.S. in Bioengineering, M.S. in Mechanical and Aerospace Engineering, B.Tech (Hons.) in Mechanical Engineering.
- Expertise** : Prof. Dinesh Mohan is Henry Ford Professor for Biomechanics and Transportation Safety and Co-ordinator of the Transportation Research and Injury Prevention Programme at the Indian Institute of Technology (IIT), Delhi.

NOTICE (Contd.)

He is member of the WHO Advisory panel on Accident Prevention. He serves on the editorial boards of the international journal. Professor Mohan has been a consultant on safety related matters to government departments in India, Nepal, Indonesia, Thailand, Bangladesh, Iraq and Libya and many automotive industrial houses.

Recipient of many prestigious awards.

Outside Directorships : None.

Membership/Chairmanship of the Board Committees of the Company :

- Audit Sub-Committee	- Chairman
- Shareholders/Investors	- Chairman
- Grievance/Share Transfers/	
Banking Committee	

3. **Name** : Mr. Krishna Shriram

Age : 31 years

Qualifications : B.A. (Hons.) (English)

Expertise : Experience in Sugar Business. Has been on the Board of the Company since 1992 till March, 2001, incharge of Sugar Business.

Outside Directorships :

- Hurrykrishna Ventures Pvt. Ltd.
- Funkaliscious Hospitality Pvt. Ltd.

Membership/Chairmanship of the Board Committees of the Company :

Audit Sub Committee	- Member
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Explanatory Statement Pursuant to Section 173 (2) of the Companies Act, 1956

ITEM NO. 5

Mr. Krishna Shriram was co-opted as an Additional Director on the Board of the Company effective 14.12.2001.

Mr. Krishna Shriram has held the position of a Director of the Company in the past. During the period, he had also been appointed as a Whole Time Director, incharge of Sugar Business of the Company.

Siel Limited

NOTICE (Contd.)

Mr. Krishna Shriram had made significant contributions in development and growth of business of the Company. He took sabbatical from the Company to pursue his other interests including most significantly, generating experience in the IT Industry. He has further honed his business acumen skills as a Co-promoter and Marketing Director in a well regarded content provider.

Now Mr. Krishna Shriram is available for advice and guidance on various aspects of business of the Company.

Your Directors feel that the professional qualities of Mr. Krishna Shriram are of great value to the Company and his continuance on the Board will be beneficial to the Company and will promote professionalism in the management.

Mr. Krishna Shriram holds office of the Additional Director of the Company upto the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956. Notice under Section 257 of the Companies Act, 1956, has been received from a member of the Company signifying his intent to propose the candidature of Mr. Krishna Shriram for the office of Director of the Company.

Your Directors recommend the resolution for your approval.

None of the Directors of the Company except Mr. Krishna Shriram is interested in this resolution.

ITEM NO. 6

Ever since the Company's manufacturing plants were shutdown owing to Hon'ble Supreme Court order, the Company has been passing through serious financial difficulties. Even after restructuring of the debt, the outstanding debt payable to Financial Institutions is so large that unless the debt of the Company is reduced to manageable limits, the financial health of the Company cannot be restored and even if everything goes as per the restructuring plan, no dividends can be paid to shareholders for many years.

Some initiatives have already been taken to reduce the debt of the Company by selling the brand name and realising some investments held by the Company but your Directors feel that the debt needs to be very significantly reduced. The existing businesses of the Company, which are all commodity businesses, in the present business climate are not in a position to generate enough surplus so as to be able to service this large debt. It is therefore imperative for your Company to sell some of its productive assets.

After a great deal of deliberation, your Directors identified that Sugar was the only business that could be sold and that Titawi Sugar Complex (TSC), a unit of the Company engaged in manufacture of Sugar is an asset which could attract buyers. Accordingly, Merchant Bankers were commissioned for the purpose of locating buyers. Sir Shadi Lal Enterprises Limited, owners of a Sugar mill at neighbouring Shamli are interested in the purchase of the Titawi Sugar Complex. An Agreement dated 22.2.2002 has been entered into with Sir Shadi Lal Enterprises Limited for sale of TSC. The salient features contained in the above said Agreement are as under:

**NOTICE (Contd.)**

Particulars	Remarks
Consideration	
- Fixed Assets	Rs.56.50 Crores
- Current Assets	
- Sugar Stocks as on the date of transfer	At market price, less 5% (market price to be calculated using the Daily Moving Average Price for each grade of sugar, of TSC for the immediate past 15 days prior to the transaction date).
- Molasses & Bagasse	At net realizable value (net realizable value would be calculated using the Daily Moving Average Price of TSC for the immediate past 15 days prior to the transaction date).
- Sugar Cane & Work-in-progress, if any	At cost.
- Machinery Spares	At the book value less 20%.
- Consumables	At cost.
Others	
- Loans & Advances/other Current Assets	All such assets incidental to the running of the business would be taken over at their book values.
- Current Liabilities	Buyer not to take over any current/contingent liabilities which shall be settled by Siel out of the proceeds of this transaction. For contingent liabilities which may devolve on the Buyer, appropriate indemnities would be provided by Siel.
- Borrowings	No part of the Bank borrowings or long term debts availed by TSC shall be taken over by the Buyer.
- Employees	All Officers, staff and workers including permanent and seasonal labour employed in or in connection with TSC shall be taken over by the Buyer. No contract and temporary labour or staff shall have a tenor valid beyond May 30, 2002.
- Taxes, etc.	All transfer charges including stamp duties, sales taxes, etc., if any, would be to the account of the Buyer. Capital gains taxes, if any, would be borne by Siel.

Siel Limited

NOTICE (Contd.)

A copy of the Agreement is available at the Registered Office of the Company and shall also be available at the time and place of the meeting.

Your Directors feel that all important task before them is to restore the financial health of the Company and if needed, to look for more avenues to further reduce the debt.

The consent of Shareholders is in terms of Section 293(1)(a) of the Companies Act, 1956 for the sale of the undertaking of Titawi Sugar Complex. The sale of the undertaking is further subject to the approval of Financial Institutions and any other regulatory approvals.

AS MENTIONED AT NOTE NO.3 TO THE NOTICE, CONSENT OF THE SHAREHOLDERS FOR THIS RESOLUTION SHALL BE OBTAINED THROUGH POSTAL BALLOT.

Your Directors recommend the resolution for your approval.

The Directors of the Company may be deemed to be concerned or interested in the resolution set out in the Notice pursuant to Section 192A of the Companies Act, 1956 to the extent of shares held by them in the Company.

By Order of the Board of Directors
For **Siel Limited**



Place : New Delhi
Dated : 22.2.2002

(P.K. BHALLA)
Wholetime Director &
Company Secretary