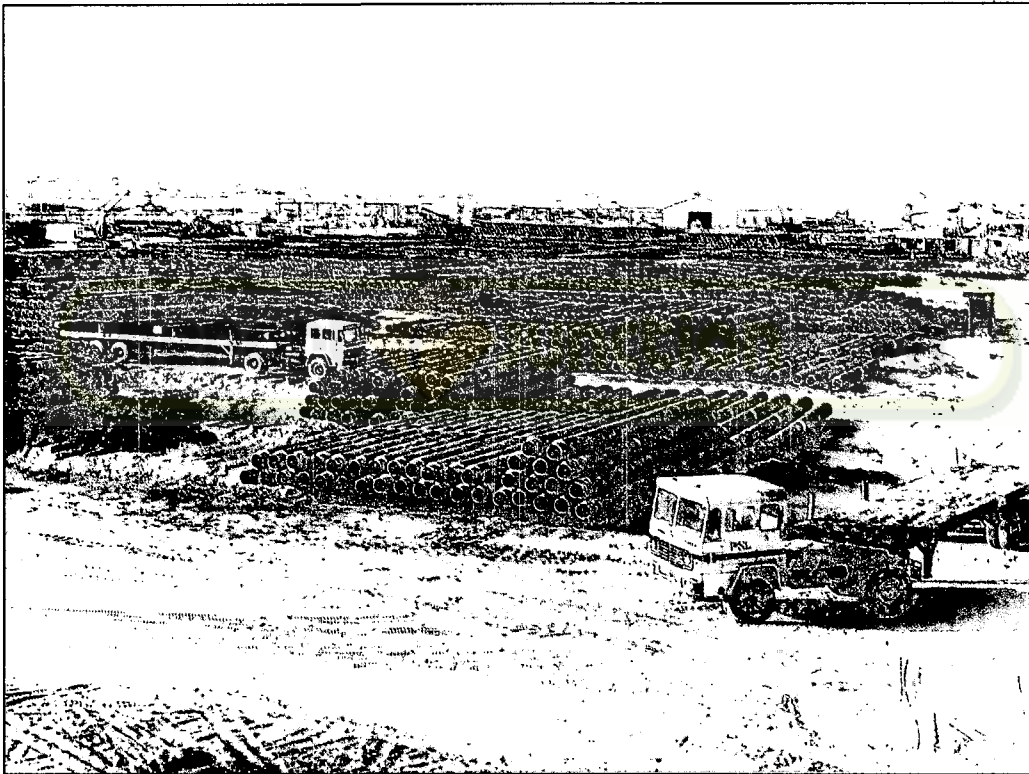
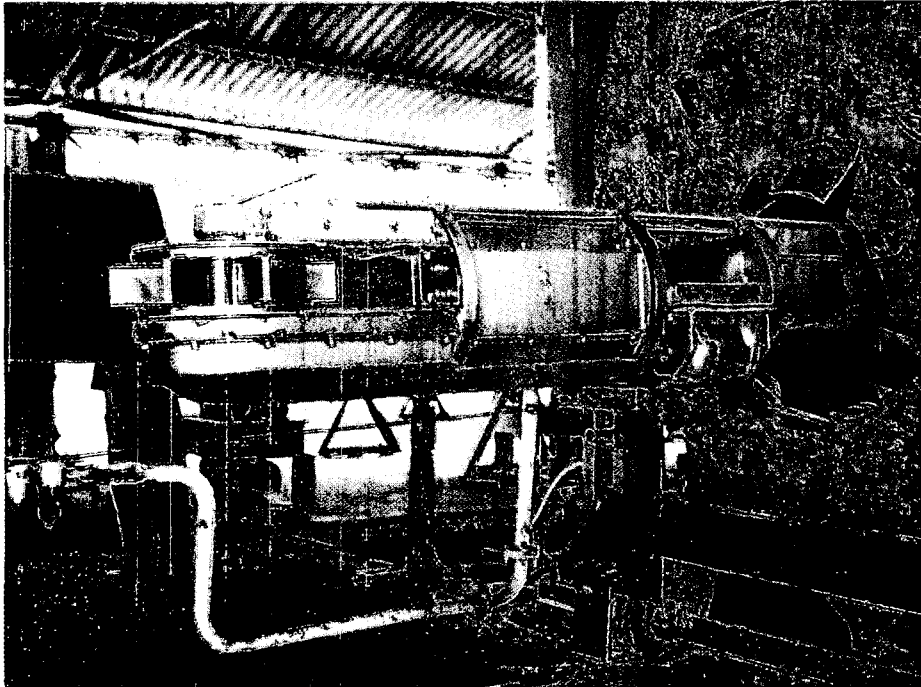


# 11TH ANNUAL REPORT 1997-98

MD	<input checked="" type="checkbox"/>	BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>	MY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>	LA	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>	TH	<input checked="" type="checkbox"/>
ACM	<input checked="" type="checkbox"/>	CH	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	PH	<input checked="" type="checkbox"/>



PSL HOLDINGS LIMITED



Internal Shot Blasting being undertaken - for Reliance Petroleum Project at Jamnagar

Report  Junction.com



Fly over at Mumbai - Deck Slab with Fusion Bonded Epoxy Coating

# BOARD OF DIRECTORS



## BOARD OF DIRECTORS

Shri Y. P. Punj — *Chairman*  
 Shri Ashok Punj — *Managing Director*  
 Shri Alok Punj  
 Shri M.M. Mathur  
 Shri G.S. Saunha  
 Shri R.K. Bahri  
 Shri D. N. Sehgal

## VICE PRESIDENT & COMPANY SECRETARY

Shri G. Gehani

## PLANT SITES

- Kachigam, Daman - 396 210
- Plot No. 4 & 5, Sector 12  
Industrial Area, Gandhidham, Kandla
- Village Khotpura, Barsat Road, Panipat.
- Survey No. 175, 177, 209, 210  
Auto Nagar, Gurampalem,  
Near Pendurthi, Vishakhapatnam,  
Andhra Pradesh.
- Village Thakuron Ki Dhani,  
Near Village Tatera, Shahpura, Jaipur.
- Vaiyavoor (Village), Madurantakam Taluka  
Chengai - MGR District, Tamil Nadu.
- RPL Site, Motikhavdi, Distt. Jamnagar, Gujarat

## REGISTERED OFFICE

Kachigam, Daman  
 Union Territory of Daman & Diu - 396 210.

## CORPORATE OFFICE

386, Veer Savarkar Marg  
 Prabhadevi, Mumbai - 400 025.

## MARKETING OFFICE

"PSL HOUSE"  
 B-96, Greater Kailash-I, New Delhi-110048.

## LEGAL & PROJECT OFFICE

N-161, 4-5th Floor, Thapar House  
 Commercial Complex, Gulmohar Enclave  
 New Delhi - 110 049

## PRINCIPAL BANKERS

- ICICI Banking Corporation Ltd.
- HDFC Bank Limited
- Deutsche Bank Limited
- State Bank of India
- Punjab National Bank
- Hongkong Bank
- Global Trust Bank

## STATUTORY AUDITORS

M/s Suresh C. Mathur & Company  
 Chartered Accountants  
 New Delhi.

## INTERNAL AUDITORS

R. Devarajan & Company  
 Chartered Accountants  
 Mumbai.

## REGISTRARS & SHARE TRANSFER AGENTS

Karvy Consultants Limited  
 "Karvy House" 46, Avenue 4, Street No. 1  
 Banjara Hills, Hyderabad - 500 034

# FINANCIAL SUMMARY



## ELEVENTH ANNUAL GENERAL MEETING AT 10.00 A.M. ON FRIDAY THE 26TH FEBRUARY, 1999

AT HOTEL MAHARAJA,  
NANI DAMAN,

UNION TERRITORY OF  
DAMAN & DIU - 396 210.

Book Closure - Thursday, the 18th February, 1999  
to Friday, the 26th February, 1999

CONTENTS	Page No.
FINANCIAL SUMMARY	2
NOTICE	3
DIRECTORS' REPORT	10
AUDITORS' REPORT	14
BALANCE SHEET	16
PROFIT & LOSS A/C	17
SCHEDULES FORMING PART OF THE ACCOUNTS	18
BALANCE SHEET ABSTRACT	26
CASH FLOW STATEMENT	27

## FINANCIAL SUMMARY OF LAST FIVE YEARS

(Rs. in Lacs)

PARTICULARS	FY 97-98	FY 96-97*	FY 95-96	FY 94-95	FY 93-94
Income From Operations	8396.71	6967.76	6850.23	6536.45	3597.42
Other Income	262.41	307.90	338.14	101.54	40.95
Total Income	8659.12	7275.66	7188.37	6637.99	3638.37
Total Expenditure	6296.79	5072.81	5346.79	4777.40	2891.55
Operating Profit	2362.33	2202.85	1841.58	1860.59	746.82
Interest	251.62	416.19	191.72	190.96	181.24
Gross Profit	2110.71	1786.66	1649.86	1669.63	565.58
Depreciation	720.44	874.00	446.51	303.54	237.86
Profit Before Tax	1390.27	912.66	1203.35	1366.09	327.72
Taxation	360.86	45.00	301.48	389.38	41.50
Profit After Tax	1029.41	867.66	901.87	976.71	286.22
Dividend Rate	35%	35%	25%	20%	20%
Equity	948.71	948.71	941.47	762.68	349.43
Reserves and Surplus	6952.36	6286.74	5760.29	3223.48	441.88
Gross Fixed Assets	7220.35	6625.53	5195.02	2734.67	1848.41

\* Period of 18 Months

# NOTICE



TO ALL SHAREHOLDERS,

Notice is hereby given that Eleventh Annual General Meeting of the Company will be held on Friday, the 26th February, 1999 at 10.00 A.M. at " Hotel Maharaja " Nani Daman- 396 210 in Union Territory of Daman & Diu, to transact the following businesses:-

## ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as on 30th September, 1998 and Profit & Loss Account for the year ended on that date and the Reports of Board of Directors and Auditors thereon.
2. To declare the Dividend for the Financial Year 1997 - 98.
3. To appoint a Director in place of Sh. G.S. Sauhta, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Sh.R.K. Bahri, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Statutory Auditors for holding the Office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and in this connection to consider and if thought fit to pass with or without modification the following Resolution as an "Ordinary Resolution".

"RESOLVED THAT M/s. Suresh C. Mathur & Co., Chartered Accountants, New Delhi be and are hereby appointed as Auditors of the Company to hold Office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board plus reimbursement of actual travelling and other incidental expenses incurred in connection with the audit."

## SPECIAL BUSINESS

### 6. AMENDMENT TO MEMORANDUM OF ASSOCIATION

To consider and if thought fit to pass with or without modification the following Resolution as "Ordinary Resolution".

"RESOLVED THAT in accordance with the provisions of Section 16, 94 and all other applicable provisions of the Companies Act, 1956, as amended up to-date, the Authorised Share Capital of the Company be and is hereby increased from Rs.25,00,00,000/- (Rupees twenty five crores only) divided into 2,50,00,000 (Two crores fifty lacs) equity shares of Rs. 10/- (Rupees ten only) each to Rs. 50,00,00,000/- (Rupees fifty crores) divided into 5,00,00,000 (Five crores) equity shares of Rs. 10/- (Rupees ten only) each."

"FURTHER RESOLVED THAT the existing clause V of the Memorandum of Association of the Company relating to Share Capital be and is hereby altered by replacing the figures and words :-

"Rs.25,00,00,000/- (Rs. twenty five crores only) divided into 2,50,00,000 (two crores fifty lacs only) equity shares of Rs.10/- (Rupees ten only) each."

**with the figures and words**

"Rs.50,00,00,000/- (Rupees fifty crores only) divided into 5,00,00,000 (Five crores only) equity shares of Rs.10/- (Rupees ten only) each."

### 7. AMENDMENT TO ARTICLES OF ASSOCIATION

To consider and if thought fit to pass with or without modification the following Resolution as "Special Resolution".

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, and the provisions of other statutes as applicable and subject to such approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, the Articles of Association of the Company be and is hereby altered as follows :-

- A) Under the heading "PRELIMINARY", in Article 1 containing definitions, the following additional definitions be inserted after Sub-article 1(l) :-

- m) "DEPOSITORIES ACT" means the Depositories Act, 1996 or any statutory modifications or re-enactment thereof for the time being in force;
- n) "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 and Exchange Board of India Act, 1992.
- o) "SECURITY" means such Security as may be specified by SEBI from time to time.
- p) "BENEFICIAL OWNER" means the Beneficial Owner as defined in Clause (a) of Sub-section (1) of Section 2 of the Depositories Act, 1996.

- B) Under the heading "SHARE CAPITAL AND VARIATION OF RIGHTS", Article 3 be altered by replacing the figures and words

"Rs.25,00,00,000/- (Rupees twenty five crores only) divided into 2,50,00,000 (two crores fifty lacs only) equity shares of Rs.10/- (Rupees ten only) each."



**NOTICE**

with the figures and words :

*"Rs.50,00,00,000/- (Rupees fifty crores only) divided into 5,00,00,000 (Five crores only) equity shares of Rs. 10/- (Rupees ten only) each."*

- C) Under the heading "TRANSFER OF SHARES" new articles numbering Article 41 (A) and 41 (B) to be read as follows be inserted :-

*"41(A) Every holder of Shares and/or Debentures of the Company shall be entitled to nominate in the prescribed manner a person to whom his/her Shares and/or Debentures shall vest in the event of his/her death in accordance with the provisions of the Act."*

**"41(B) DEMATERIALISATION OF SECURITIES**

- a) *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.*
- b) *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, issues 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.*
- c) *All securities held by a depository shall be dematerialised and shall be in a 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.*
- d) **Rights of depositories**
  - (i) *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 owners.*
  - (ii) *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.*
  - (iii) *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.*
- e) *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.*
- f) *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.*
- g) *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.*
- h) *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.*
- i) *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 purpose of these Articles."*

- (D) Under the heading "ALTERATION OF CAPITAL" a new Article numbering "ARTICLE 46(A)" to be read as follows be inserted:-

*"46(A) The Company may, notwithstanding anything contained elsewhere in these Articles, by passing a Special Resolution and subject to compliance of relevant provisions of the Act and any rules and/or regulations framed by Government in this respect, purchase its own shares or other specified securities."*

**8. ENHANCEMENT OF BORROWING POWERS**

To consider and if thought fit to pass with or without modification the following Resolution as "Ordinary Resolution".

**"RESOLVED THAT** in supersession of the Resolution passed by the Company in its Annual General Meeting held on

**NOTICE**

Thursday, the 12th September, 1996, in relation to the exercise of Borrowing Powers, the Board of Directors of the Company be and is hereby authorised under Section 293(1)(d) and other applicable provisions of the Companies Act, 1956, to borrow on behalf of the Company such monies from time to time as they may deem fit by way of loans, advances, credits, any form of International Borrowings including "external commercial borrowings" or otherwise whether the same be unsecured or secured in respect of all or any of the Company's assets and properties for the purpose of business of the Company and upon such terms and conditions as they may consider fit so that the money be borrowed, together with the monies already borrowed and outstanding by the Company (apart from various temporary loans, facilities including grants availed or to be availed from the Company's Bankers in the ordinary course of business) exceed the aggregate for the time being of the paid-up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose provided that the total amount of monies so borrowed shall not at any time exceed the sum of Rs. 50 Crores over and above the aggregate of the paid-up capital of the Company and its free-reserves."

"**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do and perform all such acts, deeds and things as may be necessary, desirable or expedient to give effect to the above Resolution."

**9. BUY-BACK OF SHARES**

To consider and if thought fit to pass with or without modification the following Resolution as "**Special Resolution**".

"**RESOLVED THAT** if and when permitted by the law and subject to all applicable provisions of the law and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company (hereinafter referred to as the "Board" which expression shall also include a Committee thereof), or as may be prescribed or imposed while granting such approvals, sanctions and permissions which may be agreed to or accepted by the Board, the consent of the Company be and is hereby accorded to the Board, to purchase such number of Ordinary Shares or other Securities specified by the Government, of the company, as thought fit from the holders of the Ordinary Shares or other Securities of the company in such proportion and manner as may be permitted by the law not exceeding such percentage of the capital of the Company as may be permitted by the law from such funds of the Company as are permitted to be used for this purpose or out of the proceeds of any issue made by the Company, on such terms and subject to such conditions as may be prescribed by the law."

"**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 and give such directions as may be necessary or desirable and to settle all questions or difficulties whatsoever that may arise with regard to the said purchase of ordinary shares or other securities."

"**RESOLVED FURTHER THAT** nothing hereinabove contained shall confer any right on any member to offer, or any obligation on the company or the Board, to buy-back any ordinary shares or other securities."

**10. RE-APPOINTMENT OF SHRI ASHOK PUNJ AS MANAGING DIRECTOR**

To consider and if thought fit to pass with or without modification the following Resolution as "**Ordinary Resolution**".

"**RESOLVED THAT** in accordance with the provisions of Section 198, 269, 309, 310, 311 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956, or any amendment and/or modification/s thereof, the consent of the Company be and is hereby accorded and is deemed to have been accorded to the re-appointment of Sh. Ashok Punj as Managing Director of the Company, by the Board of Directors, for a further period of 5 years with effect from 01-11-1998."

"**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to fix the remuneration and other perquisites payable to Sh. Ashok Punj for his services to the Company in accordance with the applicable provisions of the Act read with Schedule XIII and any amendment and/or modification thereof as and when Sh. Ashok Punj desires to draw the remuneration from the Company."

"**RESOLVED FURTHER THAT** in such an eventuality the date from which the said remuneration and perquisites shall be payable be fixed by the Board of Directors with the Managing Director."

**11. RE-APPOINTMENT OF SHRI G.S. SAUHTA AS WHOLE-TIME DIRECTOR**

To consider and if thought fit to pass with or without modification the following Resolution as "**Ordinary Resolution**".

"**RESOLVED THAT** in accordance with the provisions of Sections 198, 269, 309, 310, 311 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956, or any amendment and/or modification/s thereof, the consent of the Company be and is hereby accorded and is deemed to have been accorded to the re-appointment of Sh. G.S. Sauhta as a Whole-time Director of the Company, by the Board of Directors for a further period of 5 years, with effect from 01-04-1998, on the terms and conditions, remuneration and perquisites as set out in the Explanatory Statement to this Resolution."

"**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to fix and/or re-fix the remuneration of the said Whole-Time Director provided that such remuneration does not exceed limits prescribed from time to time under Schedule XIII or any other provisions of the Companies Act, 1956, and/or any Statutory modification/s thereof."

**12. RE-APPOINTMENT OF SHRI R.K. BAHRI AS WHOLE-TIME DIRECTOR**

To consider and if thought fit to pass with or without modification the following Resolution as "**Ordinary Resolution**".

"**RESOLVED THAT** in accordance with the provisions of Sections 198, 269, 309, 310, 311 read with Schedule XIII and all

**NOTICE**

other applicable provisions of the Companies Act, 1956, or any amendment and/or modification/s thereof, Sh. R.K. Bahri be and is hereby re-appointed as a Whole-time Director of the Company, for a further period of 5 years, with effect from 01-04-1999, on the terms and conditions, remuneration and perquisites as set out in the Explanatory Statement to this Resolution."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to fix and/or re-fix the remuneration of the said Whole-Time Director provided that such remuneration does not exceed limits prescribed from time to time under Schedule XIII or any other applicable provisions of the Companies Act, 1956, and/or any Statutory modification/s thereof."

By Order of the Board of Directors  
For **PSL HOLDINGS LIMITED**

**Regd. Office:**

Kachigam  
Daman  
Union Territory of  
Daman & Diu - 396 210.

Dated : 30th December, 1998

Sd/-  
**(G. GEHANI )**  
Vice President &  
Company Secretary

**NOTES**

1. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business of the above matters is annexed hereto.
2. 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. PROXY FORM MUST REACH THE REGISTERED OFFICE OF THE COMPANY ATLEAST 48 HOURS BEFORE THE MEETING.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, the 18th February, 1999 to Friday, the 26th February, 1999 ( both days inclusive).
4. The Audited Balance Sheet and Profit & Loss Account for the last Financial Year 1996-97 pertained to 18 months period commencing from 01/04/96 and ending on 30/09/97.
5. The Final Dividend of Rs. 1.00 per share recommended by the Board of Directors of the Company is in addition to the Interim Dividend of Rs. 2.50 per share declared by the Board and paid in September, 1998. If the said Final Dividend is declared at the meeting, the same will be paid to those Shareholders whose names appear in the Register of Members as on Friday, the 26th February, 1999.
6. In order to provide protection against fraudulent encashment of Dividend Warrants, members are requested to provide, if not provided earlier, their Bank Account Numbers, Names and Addresses of the Bank branches, quoting their Folio Numbers, so as to reach the Company by 26th February, 1999, to enable the Company to incorporate the same in the Dividend Warrants.
7. In view of the amendment proposed in the Companies (Amendment) Bill, 1998 any amount of dividend not claimed for a period of 7 years shall be transferred to an "Investor Education & Protection Fund" and may therefore be not available to the concerned member for withdrawal. Hence those members who have not so far encashed their dividend warrants for the Accounting Year ended on 31.03.95, 31.03.96, 30.09.97 and for an Interim Dividend, which was considered and paid on September, 1998 may immediately approach the Company with their dividend warrants for revalidation.
8. Members who have not yet paid allotment money (as applicable) are requested to pay the outstanding amount including the interest calculated on outstanding allotment money at the rate of 18% per annum from the last date of payment till the actual date for payment by a Demand Draft drawn in favour of "PSL PUBLIC ISSUE-ALLOTMENT MONEY", payable at Mumbai.
9. Members desirous of getting any information in respect of Accounts of the Company are requested to send their queries in writing to the Company at Registered Office, to reach at least 7 days before the date of the Meeting, so that the required information can be made available at the Meeting.
10. Shareholders who have not paid their allotment money and their proxies if appointed, are not entitled to vote at the Annual General Meeting in accordance with Company's Articles of Association.
11. For convenience of Members, an attendance slip is annexed to the proxy form. Members/Proxies are requested to affix their signatures at the space provided therein and handover the same at the place of meeting for admission to the meeting hall. The Proxy of a Member should mark on the attendance slip as "Proxy".
12. Members/Proxies attending the meeting are requested to bring their copy of the Annual Report for reference at the Meeting.
13. Members who have multiple registered folios in identical order of name(s) are requested to write to the Company quoting their Registered Folio numbers and enclosing their Share Certificates for consolidation of all such share holding into one Registered Folio to facilitate better service.
14. Members are requested to always quote their Folio No. in all their correspondence and intimate to the Company or its Share Transfer Agents, changes if any, in their Registered Address.



# NOTICE



## EXPLANATORY STATEMENT

(In Compliance of Section 173(2) of the Companies Act, 1956)

### ITEM No. 6 - AMENDMENT TO MEMORANDUM OF ASSOCIATION:

For last many years the Company's Authorised Capital has remained static at Rs.25,00,00,000/- (Rupees twenty five crores only) divided into 2,50,00,000/- (two crores fifty lacs only) equity shares of Rs.10/- (Rupees ten only) each. Consequent upon allotment of shares to the successful applicants in response to Company's maiden Public Issue in February, 1995, the Subscribed Share Capital reached Rs.9.64 crores comprising of 96,44,280 equity shares of Rs.10/- each. However, in the eventuality of the Company deciding in future to go in for any Bonus Issue, Right Issue or Merger, the existing Authorised Capital might prove insufficient. In order to provide for such a contingency, it is proposed to enhance the Authorised Capital from the existing limit of Rs.25,00,00,000/- to Rs.50,00,00,000/- which would be sufficient enough for next few years to enable the Company to expand its capital base or to cope up with such other situations.

Directors recommend passing of this Resolution.

None of the Directors is interested in this Resolution.

### ITEM No. 7 - AMENDMENT TO ARTICLES OF ASSOCIATION :

In the existing Article 3 regarding Share Capital, the total capital has been mentioned as Rs.25,00,00,000/- (Rupees twenty five crores only) in consonance with existing Clause V of the Memorandum of Association. In view of the proposed enhancement of the Authorised Capital of Rs.25,00,00,000/- to Rs.50,00,00,000/- as detailed in item No.6 above, the article would also require suitable amendment so that the same is in line with the amended Clause V of Memorandum of Association proposed at Item No.6 of the Notice. Hence the Resolution for alteration of relevant words and figures appearing in existing Article 3.

In the Companies (Amendment) Bill, 1998 presently before Parliament, a provision for allowing the shareholders to nominate any person who will be entitled to his/her shares in the event of his/her death has been made.

The Company's Articles of Association as they stand today do not contain necessary provisions to avail this advantage permitted by the aforesaid proposed changes in law. It is therefore essential to carry out the necessary amendments in Company's Articles of Association. Hence a new Article 41 (A) is proposed to be inserted.

With the Introduction of the Depositories Act, 1996 and the Depository System some of the provisions of the Companies Act, 1956, relating to the issue, holding, transfer, transmission of shares and other securities have been amended to facilitate the implementation of the new system. The Depository system of holding shares in an electronic form is a far safer and more convenient method for holding and trading in the securities of a Company. In order to enable the Company to consider switching over to Depository System, a necessary provision is required in the Articles of Association. Necessary amendments have therefore been proposed in Article 1 and in the Articles pertaining to "Transfer of Shares". A new Article 41 (B) containing the detailed provisions in this respect is therefore proposed to be inserted.

The strict conditions for companies to buy-back its own shares as contained in Section 77 of the Companies Act, 1956, have been largely removed consequent upon insertion of new provisions through Companies (Amendment) Ordinance, 1998, which came into force on 31/10/98 and again by insertion of new Sections 77 (A), 77 (AA) and 77 (B) through the Companies (Amendment) Bill, 1998, introduced in Lok Sabha on 22nd December, 1998. The conditions prescribed for such buy-back include existence of a suitable provision in the Company's Articles empowering a Company to resort to buy-back of its own shares.

The present Articles of Association of the Company do not have any such provision empowering the Company to go in for purchase of its own shares. Hence a new Article numbering 46 (A) as detailed in the Notice is proposed to be inserted.

A copy of the Memorandum and Articles of Association of the Company, together with the above mentioned proposed alterations 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.

The Directors recommend the Resolution for acceptance by the Members. None of the Directors is interested in this Resolution.

### ITEM No. 8 - ENHANCEMENT OF BORROWING POWERS :

Section 293(1)(d) of the Companies Act, 1956, provides for certain restrictions on the powers of Board of Directors of the Company to borrow monies beyond the aggregate of paid-up capital and free reserves of the Company. For such borrowings an approval is required to be taken from the Company's shareholders. The Company's shareholders in their 9th Annual General Meeting held on 12th September, 1996 had authorised the Board of Directors to borrow upto an amount not exceeding Rs. 35 Crores over and above the aggregate of the paid-up Capital of the company and its Free Reserves. Since the activities of the Company have substantially increased in the last few years and since the said activities are further likely to increase in near future, more and more funds would be required by the Company's Board of Directors to enable them to manage the business without facing the shortage of liquid funds. It is therefore proposed to enhance the borrowing power of the Board by an amount of Rs.15,00,00,000/- (Rupees fifteen crores only).

Hence the enclosed Resolution. None of the Directors is interested in this Resolution.