

pacl

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

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Punjab Alkalies & Chemicals Limited

23RD ANNUAL REPORT 1997-98



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Punjab Alkalies & Chemicals Limited

NOTICE

Notice is hereby given that the **23rd Annual General Meeting** of the Members of **Punjab Alkalies & Chemicals Limited** will be held in **Tagore Theatre, Sector 18, Chandigarh** on **Tuesday, the 29th September, 1998** at **10.30 hours** to transact the following business:-

As Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1998 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Dr. Surinder P.S. Pruthi, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Shri S.K. Tuteja, IAS as a Director of the Company, liable to retire by rotation in respect of whom the Company has received notices in writing from some members pursuant to Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director in place of Shri R.N. Gupta, IAS, who retires by rotation at the meeting and has indicated his unwillingness to offer his services for re-appointment.
4. To appoint Auditors for the current year and to fix their remuneration and in this connection, to consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution :

"RESOLVED that M/s. S. Tandon & Associates, Chartered Accountants, Chandigarh and M/s. A.K. Sood & Associates, Chartered Accountants, Chandigarh, be and are hereby re-appointed Auditors of the Company from the conclusion of this meeting until the conclusion of the next Annual General Meeting and that their remuneration be fixed by the Board of Directors of the Company."

As Special Business

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

"RESOLVED that pursuant to the provisions of Sections 269, 198 and 309 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, approval be and is hereby accorded to the appointment of Shri D.S. Bains, IAS, as Managing Director of the Company for the period 29th August, 1997 to 10th August, 1998.

RESOLVED FURTHER that the Order of the Governor of Punjab dated 23rd September, 1997 received from the Government of Punjab, containing the terms and conditions of deputation allowed to Shri D.S. Bains, IAS, which is reproduced below be and is hereby taken note of :

GOVERNMENT OF PUNJAB
DEPARTMENT OF PERSONNEL AND ADMINISTRATIVE REFORMS
(I.A.S. BRANCH)

ORDER OF THE GOVERNOR OF PUNJAB

On his services having been placed at the disposal of the Department of Industries and Commerce for appointment as Managing Director, Punjab Alkalies & Chemicals Limited, the following terms and conditions of deputation are allowed to Shri D.S. Bains, IAS :-

1. Period of Deputation: One year from the 29th August, 1997 in the first instance, subject to a right to recall him even earlier if the exigencies of service so require. The borrowing department will give timely notice, say of about two months before the officer is reverted to the parent Department on completion of his term of deputation or otherwise.
2. Pay and Special Pay: He will draw his own pay in the senior scale of I.A.S. from the 29th August, 1997 to the 1st September, 1997 and in the super-time scale of the Indian Administrative Service with effect from the 2nd September, 1997. He will also draw such other allowances as may be admissible under the rules of the Government of Punjab:

The post of Managing Director, Punjab Alkalies & Chemicals Limited has already been declared equivalent in status and responsibility to the cadre post of Commissioner of Division under rule 9(1) of the Indian Administrative Service (Pay) Rules, 1954, vide order dated the 26th October, 1995 issued vide endorsement No. 1/5/95-IAS (4)/22488, dated the 27th October, 1995 of this Department.

3. Leave and Leave Travel Concession: As admissible to the officers of the Indian Administrative Service in accordance with the provisions of the All India Services (Leave) Rules, 1955, and All India Services (Leave Travel Concession) Rules, 1955 and the orders of the Central Government issued thereunder from time to time. The whole expenditure with regard to leave travel concession will be borne by the borrowing organisation.

As laid down in rule 10.9 of the Punjab Civil Services Rules, Volume-I, Part-I, the whole expenditure in respect of all allowances including dearness pay etc. forming part of the leave salary for the period of leave in or at the end of the foreign service shall be borne by the borrowing organisation. The leave salary excluding allowances shall be paid by the Government of Punjab.

4. Pay During Joining Time: He will be entitled to joining time pay both on transfer to and on reversion from foreign service under the Indian Administrative Service (Pay) Rules, 1954, and is to be paid for this period from the funds of the borrowing organisation.
5. Medical Facilities: As admissible under the All India Services (Medical Attendance) Rules, 1954. The expenditure in this regard shall be borne by the borrowing organisation.
6. Disability: The payment of leave salary in respect of disability incurred in or through the foreign service, even though the disability manifests itself after the termination of foreign service, is to be made from the funds of the borrowing organisation.
7. Travelling Allowance/Daily Allowance: Travelling allowance/Daily allowance would be admissible at the rates applicable in the borrowing organisation and will be paid from the funds of borrowing organisation.
8. Transfer Travelling Allowance: As admissible both for joining the new post and on transfer therefrom, it will be payable, in accordance with the Rules, from the funds of the borrowing organisation.
9. Provident Fund: He will continue to be governed by the All India Services (Provident Fund) Rules, 1955, as amended from time to time. The subscriptions/recoveries of advances on account of General Provident Fund should be remitted to the Under Secretary Accounts



(in ASR Cell) through a Treasury Challan as per paragraph 18(i) of letter No.12/229-84-4FP-III/4688, dated the 2nd May, 1989 of the Department of Finance.

10. House Rent Allowance: He will be allowed house rent allowance at the same rates as admissible to other Government employees of equivalent categories. If he is already in occupation of Government residential accommodation, he will be permitted to retain the same on payment of five percent of his pay or the standard rent, whichever is less, as house rent from his own pocket, the difference between the market rent and the rent paid by him from his own pocket to be paid by the borrowing organisation.

11. No free house, car or conveyance allowance will be allowed to him unless such benefit has been attached as a normal condition of service with the deputation post.

12. He will be liable to recovery from his pay the whole or part of any pecuniary loss caused by him to the foreign employer, while on foreign service, by negligence or breach of orders, by giving him a suitable opportunity to explain his position. Such a recovery will be made under the orders of the appointing authority from his pay drawn while on deputation or reversion therefrom, as the case may be.

13. Leave Salary Contribution and Pension Contribution: The borrowing organisation shall pay leave salary contributions and pension contributions in accordance with the provisions of rule 10.8 of the Punjab Civil Services Rules, Volume-I, Part-I, annually, within fifteen days of the end of each financial year or at the end of the foreign service, if the deputation on foreign service expires before the end of the financial year.

Leave salary contributions and pension contributions should be paid separately and no dues recoverable by Government on any account should be set off against these contributions. The amount of contributions are to be credited under the following heads of accounts :-

Leave salary contributions	:	0070 - Other Administrative Service-800- Other Receipts-01-Leave Salary Contributions.
Pension Contributions	:	0071-Contributions and Recoveries towards pension and other retirement benefits-101-subscriptions and contributions-01-Pension contribution of officers lent on foreign service.

In case of default, interest at the rate of two paise per day per Rs.100 from the date of expiry of the aforesaid period upto the date on which the contributions are finally paid would be recoverable from the foreign employer/Government employees, as the case may be.

14. Payment of Bonus (Ex-Gratia): He will not be entitled to the payment of bonus (ex-gratia) under the Payment of Bonus Act, 1965.

15. Group Insurance : In case he is a member as per the provisions of the All India Group Insurance Rules, 1981/Punjab Government Employees Group Insurance Scheme, 1982, the deduction of a monthly subscription of Rs.120 per mensem will be made from his salary and the amount be remitted through Bank draft in favour of the Under Secretary(Accounts), Punjab Civil Secretariat in time.

16. General: Other unclassified matters will be governed by the orders of the Government of Punjab/the Government of India as applicable to the officers of the Indian Administrative Service.

Dated, Chandigarh,
the 23rd September, 1997.

R.S. MANN
Chief Secretary to the Government of Punjab

RESOLVED FURTHER as to term 11 of the aforesaid Order of the Governor of Punjab dated 23rd September, 1997 that as a normal condition of service attached to the post, the Managing Director shall be entitled to the following :-

1. Suitable residential accommodation with a provision for office at residence on payment of 5% of his basic pay.

OR

Government residential accommodation with a provision for office at residence on payment of 5% of his basic pay or the standard rent, whichever is less as house rent from his own pocket, the difference between the house rent paid by him from his own pocket and the market rent, being payable by the Company.

2. Company's Car with Driver for official use.
3. Use of Company's Car for personal purposes upto 500 Kms.per month on payment of Rs.100/- per month.
4. Until such time the Company's Car is provided, reimbursement of conveyance expenses for use of his own Car within the radius of 8 Kms. to the extent of Rs.500/- per month and for use beyond 8 Kms., reimbursement of expenses as per rules of the Company in force from time to time.
5. Telephone at residence subject to the condition that personal long distance calls shall be billed to him by the Company.

RESOLVED FURTHER that pursuant to the provisions of Sections 269, 198 and 309 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, approval be and is hereby accorded to the appointment of Shri D.S. Bains, IAS as Managing Director of the Company for the period 29th August, 1997 to 10th August, 1998 in (a) the Senior Scale of Indian Administrative Service from 29th August, 1997 to 1st September, 1997, which scale as on 29th August, 1997 was Rs.4800-150-5700 and was subsequently revised as Rs.15100-400-18300 with retrospective effect and (b) the Supertime Scale of Indian Administrative Service from 2nd September, 1997 to 10th August, 1998, which scale as on 2nd September, 1997 was Rs.5900-200-6700 and was subsequently revised as Rs.18400-500-22400 with retrospective effect, and to his drawing his own pay in (a) the said Senior Scale from 29th August, 1997 to 1st September, 1997, which pay as on 29th August, 1997 was Rs.5,250/- per month and was subsequently revised as Rs.15,900/- per month with retrospective effect and (b) the said Supertime Scale from 2nd September, 1997 to 10th August, 1998, which pay as on 2nd September, 1997 was Rs.5,900/- per month and was subsequently revised as Rs.18,400/- per month with retrospective effect, and to his entitlement to all other allowances and benefits admissible to him from time to time under Punjab/Central Government Rules, which allowances and benefits during the said period were as contained in the aforesaid Order of the Governor of Punjab dated 23rd September, 1997 and other benefits as indicated hereinabove.

RESOLVED FURTHER that in the event of the Company having no profits or having inadequate profits in any financial year, the aforesaid remuneration shall also be paid as the minimum remuneration to the extent the same does not exceed the limits specified in Section II of Part II of Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things as may be necessary to give effect to this resolution."

Punjab Alkalies & Chemicals Limited

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

"RESOLVED that pursuant to the provisions of Section 269 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, approval be and is hereby accorded to the appointment of Shri Jagpal Singh, IAS, as Managing Director of the Company for a period of five years with effect from 10th August, 1998 at the remuneration to be decided later within the limits specified in Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things as may be necessary to give effect to this resolution."

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

"RESOLVED that the consent of the Company be and is hereby accorded in terms of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956 to mortgaging and/or charging by the Board of Directors of the Company by way of a fourth charge of/ on all the immovable and movable properties of the Company, wheresoever situate, present and future, to or in favour of Punjab & Sind Bank to secure Rupee Term Loan not exceeding Rs.200.00 Lakhs (Rupees Two Hundred Lakhs only) lent and advanced/agreed to be lent and advanced by Punjab & Sind Bank to the Company together with interest thereon at the agreed rate, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment or on redemption, costs, charges, expenses and other monies payable by the Company to Punjab & Sind Bank under the Loan Agreement/Letter of Sanction/Memorandum of Terms and Conditions entered into/to be entered into by the Company in respect of the said Rupee Term Loan.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to finalise with Punjab & Sind Bank the documents for creating the aforesaid mortgage and/or charge and to do all such acts and things as may be necessary for giving effect to the above resolution."

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

"RESOLVED that the consent of the Company be and is hereby accorded in terms of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956 to mortgaging and/or charging by the Board of Directors of the Company by way of a fourth charge of/ on all the immovable and movable properties of the Company, wheresoever situate, present and future, to or in favour of Punjab & Sind Bank to secure Rupee Term Loan not exceeding Rs.400.00 Lakhs (Rupees Four Hundred Lakhs only) lent and advanced/agreed to be lent and advanced by Punjab & Sind Bank to the Company together with interest thereon at the agreed rate, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment or on redemption, costs, charges, expenses and other monies payable by the Company to Punjab & Sind Bank under the Loan Agreement/Letter of Sanction/Memorandum of Terms and Conditions entered into/to be entered into by the Company in respect of the said Rupee Term Loan.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to finalise with Punjab & Sind Bank the documents for creating the aforesaid mortgage and/or charge and to do all such acts and things as may be necessary for giving effect to the above resolution."

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

"RESOLVED that the consent of the Company be and is hereby accorded in terms of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956 to mortgaging and/or charging by the Board of Directors of the Company of all the immovable and movable properties of the Company, wheresoever situate, present and future, and/or conferring of power to enter upon and to take possession of assets of the Company in certain events, to or in favour of the Debentureholders and/or Trustees for Debentureholders (to be appointed by the Board of Directors) to secure :

- (a) 3,00,000 - 14% Secured Redeemable Non-Convertible Debentures (1st Series) of Rs.100/- each aggregating to Rs.300.00 Lakhs (Rupees Three Hundred Lakhs only) issued by the Company;
- (b) 2,00,000 - 13.5% Secured Redeemable Non-Convertible Debentures (4th Series) of Rs.100/- each aggregating to Rs.200.00 Lakhs (Rupees Two Hundred Lakhs only) issued by the Company;
- (c) 3,00,000 - 15% Secured Redeemable Non-Convertible Debentures (5th Series) of Rs.100/- each aggregating to Rs.300.00 Lakhs (Rupees Three Hundred Lakhs only) issued by the Company; and
- (d) 5,00,000 - 16% Secured Redeemable Non-Convertible Debentures (6th Series) of Rs.100/- each aggregating to Rs.500.00 Lakhs (Rupees Five Hundred Lakhs only) issued by the Company;

together with interest thereon, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment, costs, charges, expenses and other monies payable by the Company to the respective Debentureholders/Trustees for Debentureholders under the respective Agreements/Trust Deeds/ Memoranda of Terms and Conditions entered into/to be entered into by the Company in respect of the said Debentures.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to finalise with the respective Debentureholders and/or Trustees for Debentureholders, the Trust Deeds and/or other documents for creating the aforesaid mortgages and/or charges and to do all such acts and things as may be necessary for giving effect to the above resolution."

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

"RESOLVED that pursuant to Section 17 and other applicable provisions, if any, of the Companies Act, 1956, the Objects Clause III(A) of the Memorandum of Association of the Company be and is hereby altered by inserting the following new Sub-Clause as Sub-Clause 5 :-

- '5. To carry on the business of purchasing, producing, accumulating, generation, transmission, distribution, selling, supplying, utilisation, developing and dealers of electricity including the construction, laying, fixing, establishment, operation and maintenance of electric power generating stations, power systems, transmission lines, cables, wires, sub-stations and other power works and installations and to purchase, produce, generate, sell, utilise and deal in steam and all kinds of liquid, gaseous and other fuels.'

RESOLVED FURTHER that pursuant to Section 149(2A) and other applicable provisions, if any, of the Companies Act, 1956, the approval of the Company be and is hereby accorded to the commencement and carrying on by the Company of the business specified in the aforesaid Sub-Clause 5 of the Objects Clause III(A) of the Memorandum of Association of the Company, immediately after the said Sub-Clause 5 becoming effective.



RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things as may be necessary to give effect to this resolution."

By Order of the Board of Directors

Registered Office:
S.C.O.125-127,
Sector 17-B,
Chandigarh-160 017

Sd/-
(PRADEEP NAUHARIA)
Company Secretary &
Gen.Manager (Co.Affairs).

Dated : August 18, 1998

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 A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY (BLANK FORM ENCLOSED) DULY STAMPED, COMPLETED AND SIGNED SHOULD, HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of business at item Nos. 5 to 10 is annexed.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 16th September, 1998 to 29th September, 1998 (both days inclusive).
4. Members who have not yet paid the Allotment Money on their new equity shares are requested to remit the same together with interest @ 18% per annum from 16.6.1994 till the date of payment at the earliest.
5. The unclaimed Dividends for the years 1989-90, 1990-91, 1991-92, 1992-93 and 1993-94 have been transferred to the General Revenue Account of the Central Government in terms of Section 205A of the Companies Act, 1956. Members who have not claimed their Dividends for the years 1989-90, 1990-91, 1991-92, 1992-93 and 1993-94 are requested to claim the same from the Registrar of Companies, Punjab, H.P. & Chandigarh, 286, Defence Colony, Garha Road, Jalandhar City - 144 001. The amount of Dividend for the year 1994-95 remaining unpaid/unclaimed on 10th November, 1998 will be transferred to the General Revenue Account of the Central Government. Members who have not encashed their Dividend Warrants for the year 1994-95 are requested to forward the same to the Company by 15th October, 1998 for payment.
6. Members are requested to notify immediately changes, if any, in their registered address to the Company specifying full address in Block Capitals with PIN Code of the Post Office.
7. Members are requested to bring with them the attendance slip sent with the Annual Report duly completed and signed and hand it over at the entrance.
8. Members are requested to bring their copy of the Annual Report alongwith them to the Annual General Meeting.

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

ITEM NO.5

The services of Shri D.S. Bains, IAS had been placed by the Government of Punjab at the disposal of the Department of Industries and Commerce for appointment as Managing Director of the Company. The Department of Industries and Commerce had placed his services at the disposal of the Punjab State Industrial Development Corporation Limited for appointment as Managing Director of the Company. The Punjab State Industrial Development Corporation Limited (PSIDC) had nominated Shri D.S. Bains, IAS as a Director on the Board of Directors of the Company with effect from 28th August, 1997.

The Board of Directors of the Company in its meeting held on 29th August, 1997 had pursuant to the provisions of Section 269 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Shareholders appointed Shri D.S. Bains, IAS as Managing Director of the Company for a period of five years with effect from 29th August, 1997 at the remuneration to be decided later within the limits specified in Schedule XIII of the Companies Act, 1956. The Shareholders of the Company in the 22nd Annual General Meeting held on 24th September, 1997 had pursuant to the provisions of Section 269 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 accorded their approval to the appointment of Shri D.S. Bains, IAS as Managing Director of the Company for a period of five years with effect from 29th August, 1997 at the remuneration to be decided later within the limits specified in Schedule XIII of the Companies Act, 1956. The Board of Directors in its meeting held on 29th November, 1997 had taken note of the Order of the Governor of Punjab dated 23rd September, 1997 received from the Government of Punjab, containing the terms and conditions of deputation allowed to Shri D.S. Bains, IAS. The said Order of the Governor of Punjab dated 23rd September, 1997 is reproduced in the text of the Resolution set out at Item No.5 of the Notice. The Board had as to term 11 of the said Order of the Governor of Punjab dated 23rd September, 1997 resolved that as a normal condition of service attached to the post, the Managing Director shall be entitled to the following :-

1. Suitable residential accommodation with a provision for office at residence on payment of 5% of his basic pay.

OR

Government residential accommodation with a provision for office at residence on payment of 5% of his basic pay or the standard rent, whichever is less as house rent from his own pocket, the difference between the house rent paid by him from his own pocket and the market rent, being payable by the Company.

2. Company's Car with Driver for official use.
3. Use of Company's Car for personal purposes upto 500 Kms. per month on payment of Rs.100/- per month.
4. Until such time the Company's Car is provided, reimbursement of conveyance expenses for use of his own Car within the radius of 8 Kms. to the extent of Rs.500/- per month and for use beyond 8 Kms., reimbursement of expenses as per rules of the Company in force from time to time.
5. Telephone at residence subject to the condition that personal long distance calls shall be billed to him by the Company.

Punjab Alkalies & Chemicals Limited

The Board had further resolved that pursuant to the provisions of Sections 269, 198 and 309 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Shareholders, the appointment of Shri D.S. Bains, IAS as Managing Director of the Company for the period of five years with effect from 29th August, 1997 shall be in (a) the Senior Scale of Indian Administrative Service from 29th August, 1997 to 1st September, 1997, which scale as on 29th August, 1997 was Rs.4800-150-5700 and (b) the Supertime Scale of Indian Administrative Service with effect from 2nd September, 1997, which scale at present is Rs.5900-200-6700 and he shall draw his own pay in (a) the said Senior Scale from 29th August, 1997 to 1st September, 1997, which pay as on 29th August, 1997 was Rs. 5,250/- per month and (b) the said Supertime Scale with effect from 2nd September, 1997, which pay at present is Rs.5,900/- per month and he shall be entitled to all other allowances and benefits admissible to him from time to time under Punjab/Central Government Rules, which allowances and benefits at present are as contained in the aforesaid Order of the Governor of Punjab dated 23rd September, 1997 and other benefits as indicated hereinabove. The Board had further resolved that in the event of the Company having no profits or having inadequate profits in any financial year, the said remuneration shall also be paid as the minimum remuneration to the extent the same does not exceed the limits specified in Section II of Part II of Schedule XIII of the Companies Act, 1956. The said Senior Scale was subsequently revised as Rs.15100-400-18300 with retrospective effect and his pay as on 29th August, 1997 was subsequently revised as Rs.15,900/- per month with retrospective effect. The said Supertime Scale was subsequently revised as Rs.18400-500-22400 with retrospective effect and his pay as on 2nd September, 1997 was subsequently revised as Rs.18,400/- per month with retrospective effect. Shri D.S. Bains, IAS has done Masters in Political Science from the Delhi University and Masters in Public Administration from the Harvard University, Boston, U.S.A. He belongs to the Indian Administrative Service. He has about 17 years of rich and varied managerial and administrative experience to his credit.

The PSIDC has nominated Shri Jagpal Singh, IAS, as its Nominee Director on the Board of Directors of the Company in place of Shri D.S. Bains, IAS with effect from 10th August, 1998. Consequently, Shri D.S. Bains ceased to be the Managing Director of the Company with effect from 10th August, 1998.

The approval of the members is sought for appointment of Shri D.S. Bains, IAS as Managing Director of the Company for the period 29th August, 1997 to 10th August, 1998 and the remuneration (including the minimum remuneration) paid/payable to him.

Copies of the said Order of the Governor of Punjab dated 23rd September, 1997 and other relevant documents are available for inspection by the members at the Registered Office of the Company during business hours on any working day and will also be available at the meeting.

The Directors recommend the Resolution for the approval of the members.

None of the Directors, is in any way, concerned or interested in the Resolution excepting Shri D.S. Bains, IAS (who ceased to be a Director of the Company w.e.f. 10th August, 1998) to the extent of remuneration paid/payable to him.

This Explanatory Statement together with accompanying notice is and should also be treated as an abstract of the terms and memorandum of interest under Section 302 of the Companies Act, 1956.

ITEM NO.6

The services of Shri Jagpal Singh, IAS had been placed by the Government of Punjab at the disposal of the Department of Industries and Commerce for appointment as Managing Director of the Company. The Department of Industries and Commerce had placed his services at the disposal of the Punjab State Industrial Development Corporation Limited for appointment as Managing Director of the Company. The Punjab State Industrial Development Corporation Limited (PSIDC) had nominated Shri Jagpal Singh, IAS as a Director on the Board of Directors of the Company with effect from 10th August, 1998.

The Board of Directors of the Company in its meeting held on 10th August, 1998 had pursuant to the provisions of Section 269 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Shareholders appointed Shri Jagpal Singh, IAS as Managing Director of the Company for a period of five years with effect from 10th August, 1998 at the remuneration to be decided later within the limits specified in Schedule XIII of the Companies Act, 1956. His remuneration will be decided after the receipt of the Punjab Government's Order containing the terms and conditions of deputation allowed to him.

Shri Jagpal Singh, IAS has done B.A.(Hons.) in Political Science and LL.B. from the Panjab University. He belongs to the Indian Administrative Service. He has 15 years of rich and varied administrative and managerial experience to his credit.

The approval of the members is sought for appointment of Shri Jagpal Singh, IAS as Managing Director of the Company for a period of five years with effect from 10th August, 1998.

Copies of the relevant documents are available for inspection by the members at the Registered Office of the Company during business hours on any working day and will also be available at the meeting.

The Directors recommend the Resolution for the approval of the members.

None of the Directors, is in any way, concerned or interested in the Resolution excepting Shri Jagpal Singh, IAS to the extent of remuneration payable to him.

This Explanatory Statement together with accompanying notice is and should also be treated as an abstract of the terms and memorandum of interest under Section 302 of the Companies Act, 1956.

ITEM NO.7

At the request of the Company, Punjab & Sind Bank has sanctioned to the Company a Rupee Term Loan not exceeding Rs.200.00 Lakhs for meeting a part of its routine capital expenditure and long term working capital requirements.

The aforesaid financial assistance has to be secured by a mortgage and/or charge by way of a fourth charge of/on all the immovable and movable properties of the Company, present and future.

Section 293(1)(a) of the Companies Act, 1956 provides, inter alia, that the Board of Directors of a public company shall not, without the consent of such public 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 undertaking.

Since the mortgaging/charging by the Company of its immovable and movable properties as aforesaid in favour of Punjab & Sind Bank may be regarded as disposal of the Company's properties/undertakings, it is necessary for the members to pass a resolution under Section 293(1)(a) of the Companies Act, 1956 before creation of the said mortgages/charges.

Copy of the Letter of Sanction received from the said Bank and copies of the relevant documents/correspondence between the said Bank and the Company are available for inspection by the members at the Registered Office of the Company during business hours on any working day and will also be available at the meeting.



The Directors recommend the Resolution for the approval of the members.
None of the Directors, is in any way, concerned or interested in the Resolution.

ITEM NO. 8

At the request of the Company, Punjab & Sind Bank has sanctioned to the Company a Rupee Term Loan not exceeding Rs.400.00 Lakhs for meeting a part of its routine capital expenditure and long term working capital requirements.

The aforesaid financial assistance has to be secured by a mortgage and/or charge by way of a fourth charge of/on all the immovable and movable properties of the Company, present and future.

Section 293(1)(a) of the Companies Act, 1956 provides, inter alia, that the Board of Directors of a public company shall not, without the consent of such public 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 undertaking. Since the mortgaging/charging by the Company of its immovable and movable properties as aforesaid in favour of Punjab & Sind Bank may be regarded as disposal of the Company's properties/undertakings, it is necessary for the members to pass a resolution under Section 293(1)(a) of the Companies Act, 1956 before creation of the said mortgages/charges.

Copy of the Letter of Sanction received from the said Bank and copies of the relevant documents/correspondence between the said Bank and the Company are available for inspection by the members at the Registered Office of the Company during business hours on any working day and will also be available at the meeting.

The Directors recommend the Resolution for the approval of the members.
None of the Directors, is in any way, concerned or interested in the Resolution.

ITEM NO.9

The Company has issued :

- (a) 3,00,000 - 14% Secured Redeemable Non-Convertible Debentures (1st Series) of Rs.100/- each aggregating to Rs.300.00 Lakhs to IDBI Bank Limited;
- (b) 2,00,000 - 13.5% Secured Redeemable Non-Convertible Debentures (4th Series) of Rs.100/- each aggregating to Rs.200.00 Lakhs to Life Insurance Corporation of India;
- (c) 3,00,000 - 15% Secured Redeemable Non-Convertible Debentures (5th Series) of Rs.100/- each aggregating to Rs.300.00 Lakhs to Life Insurance Corporation of India; and
- (d) 5,00,000 - 16% Secured Redeemable Non-Convertible Debentures (6th Series) of Rs.100/- each aggregating to Rs.500.00 Lakhs to Bank of Punjab Limited;

for meeting a part of the Company's capital expenditure and working capital requirements.

The aforesaid 1st Series and 6th Series Debentures have to be secured by first mortgage/charge of/on all the immovable and movable properties (excluding current assets) of the Company, present and future. The aforesaid 4th Series and 5th Series Debentures have to be secured by first mortgage/charge of/on all the immovable and movable properties (excluding book debts) of the Company, present and future.

Section 293(1)(a) of the Companies Act, 1956 provides, inter alia, that the Board of Directors of a public company shall not, without the consent of such public 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 undertaking.

Since the mortgaging/charging by the Company of its immovable and movable properties as aforesaid in favour of the Debentureholders and/or Trustees for Debentureholders may be regarded as disposal of the Company's properties/undertakings, it is necessary for the members to pass a resolution under Section 293(1)(a) of the Companies Act, 1956 before creation of the said mortgages/charges.

Copies of the Agreements with the said Debentureholders and copies of the relevant documents/correspondence between the said Debentureholders and the Company are available for inspection by the members at the Registered Office of the Company during business hours on any working day and will also be available at the meeting.

The Directors recommend the Resolution for the approval of the members.
None of the Directors, is in any way, concerned or interested in the Resolution.

ITEM NO.10

The Company is engaged in the manufacture and sale of Caustic Soda, Chlorine, Hydrochloric Acid, etc. The Caustic Soda Industry is a Power Intensive Industry and Power constitutes a major component of the cost of production of Caustic Soda. Therefore, the Company is setting up a 51 MW Captive Power Generation Plant. The surplus Power will be sold to the Punjab State Electricity Board and/or others.

The alteration in the Objects Clause III(A) of the Memorandum of Association of the Company as indicated in the Resolution set out at Item No.10 of the Notice is to facilitate the setting up of the said Plant. This will enable the Company to carry on its business more economically and efficiently and the proposed business can, under the existing circumstances, be conveniently and advantageously combined with the present business of the Company.

The approval of the members is sought for the alteration of the Objects Clause III(A) of the Memorandum of Association of the Company as indicated in the Resolution set out at Item No.10 of the Notice and for the commencement and carrying on by the Company of the said business.

Copy of the Memorandum of Association of the Company, together with the proposed alteration is available for inspection by the members at the Registered Office of the Company during business hours on any working day and will also be available at the meeting.

The Directors recommend the Resolution for the approval of the members.
None of the Directors, is in any way, concerned or interested in the Resolution.

By Order of the Board of Directors

Registered Office:
S.C.O.125-127,
Sector 17-B,
Chandigarh-160 017
Dated : August 18, 1997

Sd/-
(PRADEEP NAUHARIA)
Company Secretary &
Gen.Manager (Co.Affairs)

Folio No. : _____

No. of Shares : _____



Punjab Alkalies & Chemicals Limited

Registered Office : S.C.O. 125-127, Sector 17-B, Chandigarh-160 017

PROXY FORM

I/We _____ of _____ in the district of _____ being a member/ members of Punjab Alkalies & Chemicals Limited hereby appoint _____ of _____ in the district of _____ or failing him _____ of _____ in the district of _____ as my/our proxy to vote for me/us on my/our behalf at the 23rd Annual General Meeting of the Company to be held on 29th day of September, 1998 and at any adjournment thereof.

Signed this _____ day of _____ 1998

Signature _____

Revenue
Stamp
30 Paise

Address _____

- Notes :**
1. The Proxy need NOT be a member.
 2. The Proxy Form duly signed across revenue stamp should reach the Company's Registered Office at least 48 hours before the time of the meeting.



Punjab Alkalies & Chemicals Limited

Registered Office : S.C.O. 125-127, Sector 17-B, Chandigarh-160 017

ATTENDANCE SLIP

I hereby record my presence at the 23rd Annual General Meeting of Punjab Alkalies & Chemicals Limited at the Tagore Theatre, Sector 18, Chandigarh on Tuesday, the 29th day of September, 1998 at 10.30 hours.

1. Full Name of the Member : _____
(in Block Letters)
- *2. Full Name of the Proxy : _____
(in Block Letters)
3. Ledger Folio No. : _____
4. Number of shares held : _____
5. Signature of the Member/Proxy attending : _____

* To be filled in if the Proxy attends instead of the Member(s)

To be used only when Member First Named is not attending :

Please give full name of the first holder

Mr./Mrs./Miss _____

- Notes :**
1. Members attending the meeting must fill in this attendance slip and hand it over at the Entrance of the venue of the Meeting.
 2. Members are requested to bring their copy of the Annual Report for the Meeting.

