

# ANNUAL REPORT 1998

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**PUNJAB TRACTORS LIMITED**



**PUNJAB TRACTORS LIMITED**

**BOARD OF DIRECTORS**

R.I. SINGH (Chairman)

S.K. TUTEJA

S.S. BRAR

S.P. VIRMANI

T.S. SAHNEY

N.S. GILL

P.R. KHANNA

YASH MAHAJAN (Vice Chairman & Managing Director)

**VICE PRESIDENT - FINANCE**

P. SIVARAM

**COMPANY SECRETARY**

MAHESH KAUSHAL

**AUDITORS**

M/S. S. TANDON & ASSOCIATES  
CHARTERED ACCOUNTANTS

**BANKERS**

INDIAN OVERSEAS BANK  
CANARA BANK  
BANK OF AMERICA  
BHARAT OVERSEAS BANK LTD.

**REGISTERED OFFICE**

PHASE-IV, SAHIBZADA AJIT SINGH NAGAR,  
DISTT. ROPAR-160 055.

**PUNJAB TRACTORS LIMITED****ANNUAL GENERAL MEETING**

on Friday, July 31, 1998

at 3.30 P.M. at Swaraj R&D Complex,

A29-E, Industrial Area, Phase-VII, S.A.S. Nagar,

Distt. Ropar-160 055.



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**PUNJAB TRACTORS LIMITED****NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Twenty Seventh Annual General Meeting of the Company will be held on Friday, July 31, 1998 at 3.30 P.M. at Swaraj R&D Complex, A-29E, Industrial Area, Phase-VII, S.A.S. Nagar, Distt. Ropar-160 055 to transact the following business :

**ORDINARY BUSINESS**

1. To consider and adopt the audited Balance Sheet and Profit & Loss Account for the year ended 31st March, 1998 together with the Directors' Report and Auditors' Report thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri T.S. Sahney, who retires by rotation and, being eligible, offers himself for re-election.
4. To appoint a Director in place of Shri N.S. Gill, who retires by rotation and, being eligible, offers himself for re-election.
5. To appoint M/s. S. Tandon & Associates, Chartered Accountants, as Statutory Auditors of the Company and fix their remuneration.

**SPECIAL BUSINESS**

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

6. As an Ordinary Resolution :  
 "RESOLVED THAT Shri S.S. Brar, who has been co-opted as Director of the Company and who in terms of Section 260 of the Companies Act, 1956 holds office as Additional Director until this Annual General Meeting, be and is hereby appointed as a Director of the Company."
7. As an Ordinary Resolution :  
 "RESOLVED THAT Shri P.R. Khanna, who has been co-opted as Director of the Company and who in terms of Section 260 of the Companies Act, 1956 holds office as Additional Director until this Annual General Meeting, be and is hereby appointed as a Director of the Company."
8. As an Ordinary Resolution :  
 "RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and 316 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the reappointment of Shri Yash Mahajan and his elevation as Vice Chairman & Managing Director of the Company for the period commencing from 1.4.1998 to 6.4.2002 on the terms and conditions as set out in the Explanatory Statement, with liberty and authority to the Board of Directors to alter and vary the terms and conditions thereof and as may be agreed to by Shri Yash Mahajan"
9. As a Special Resolution :  
 "RESOLVED THAT subject to requisite approvals, if any, under the Foreign Exchange Regulations Act, 1973, other applicable Laws and Regulations, and Articles of Association, approval of the Company be and is hereby accorded to the Board of Directors to permit Non-Residents of Indian Nationality/Origin (NRIs), Overseas Corporate Bodies (OCBs) and Foreign Institutional Investors (FIIs) to acquire Equity Shares of the Company subject to the respective limits, if any, specified for each of them by the Government of India and/or Reserve Bank of India from time to time, provided however, that the aggregate shareholding of these NRIs, OCBs and FIIs shall not at any time exceed 30% of the paid-up Equity Share Capital of the Company."

**PUNJAB TRACTORS LIMITED**

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and execute all such documents, deeds and writings as may be required or considered expedient for the purpose."

Regd. Office :  
Phase-IV, Sahibzada Ajit Singh Nagar  
Distt. Ropar-160055 (Punjab)

BY ORDER OF THE BOARD

(MAHESH KAUSHAL)  
Company Secretary

Dated : July 1, 1998

**Notes :**

1. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 is enclosed hereto and forms part of the Notice.
2. 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 the Form annexed hereto must be lodged at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting.
3. The Register of Members shall remain closed from August 1, 1998 to August 8, 1998 (both days inclusive).
4. Members are requested to bring their copy of Annual Report to the Meeting. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Secretary of the Company at least 10 days before the date of the Meeting so that information required may be made available at the Meeting.
5. Subject to the provisions of Section 206A of the Companies Act, 1956, dividend, as recommended by the Board of Directors, if approved at the meeting, will be payable on or after August 9, 1998, to those Members whose names appear in the Register of Members as on August 8, 1998.
6. Members are requested to :
  - Intimate to the Company changes, if any, in their registered address at an early date.
  - Quote ledger folio numbers in all their correspondence.
7. Dividend amount remaining unclaimed for and upto the financial year ended 31.3.1994 has been transferred to the General Revenue Account of the Central Government as required under sub-section (5) of Section 205(A) of the Companies Act, 1956. Members who have not encashed dividend warrants for the said period are requested to claim the amount from the Registrar of Companies, 286, Defence Colony, Jalandhar City (Punjab). Unpaid Dividends that are due for transfer to the Central Government are as follows :

Financial Year ended	Due for transfer on
31.03.1995	20.10.1998
31.03.1996	03.10.1999
31.03.1997	15.08.2000

Members who have not encashed their dividend warrants for the aforesaid financial years are requested to approach the Company for revalidation/obtaining duplicate Dividend Warrants.

8. Members/Proxy holders are requested to produce the attached admission slip duly completed and signed, for admission to the meeting hall.

# PUNJAB TRACTORS LIMITED

Registered Office :  
PHASE-IV,  
SAHIBZADA AJIT SINGH NAGAR,  
DISTT. ROPAR-160 055

## PROXY FORM

I/We \_\_\_\_\_

of \_\_\_\_\_

member

of the above company, hereby appoint

members

\_\_\_\_\_ of

\_\_\_\_\_

or failing him \_\_\_\_\_

of \_\_\_\_\_

as my/our proxy to vote for me/us on my/our behalf at the 27th  
ANNUAL GENERAL MEETING of the Company to be held on  
Friday, July 31, 1998, at 3.30 P.M.

Signed \_\_\_\_\_

Revenue  
Stamp  
30 P.

Date \_\_\_\_\_

Note : Proxies must reach the Company's Registered Office  
not less than 48 hours before the meeting.

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## ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

Name of the attending Member  
(IN BLOCK LETTERS)

Member's Folio  
Number

Name of Proxy (IN BLOCK LETTERS)  
(To be filled in if the Proxy attends instead of Member)

No. of Shares held \_\_\_\_\_

I, hereby record my presence at the 27th ANNUAL GENERAL  
MEETING at Swaraj R&D Complex, A29-E, Industrial Area,  
Phase-VII, Sahibzada Ajit Singh Nagar, Distt. Ropar-160 055 on  
Friday, July 31, 1998, at 3.30 P.M.

Member's/Proxy's Signature

(To be signed at the time of handing over this slip)

NOTE : The copy of the Annual Report may please be brought to the meeting hall.

For Office Use :





**PUNJAB TRACTORS LIMITED****ANNEXURE TO NOTICE****Explanatory Statement Relating to the Special Business**

As required by Section 173 of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to the Special Business mentioned under Item Nos. 6 to 9 of the accompanying Notice dated July 1, 1998.

**Item No. 6**

Shri S.S. Brar, IAS, co-opted as an Additional Director, vacates office at the forthcoming Annual General Meeting. The Company has received a notice in writing from a member u/s. 257 of the Companies Act, 1956 proposing the appointment of Shri Brar as a Director of the Company.

Shri S.S. Brar is Managing Director of Punjab State Industrial Development Corpn. Ltd. (PSIDC). He possesses rich and varied experience in the Government. The Directors consider that Shri Brar's association as Director would be of immense value to the Company and hence recommend acceptance of the Resolution set out in Item No. 6 of the convening notice.

Shri S.S. Brar is interested and concerned in the Item.

**Item No. 7**

Shri P.R. Khanna, co-opted as an Additional Director, vacates office at the forthcoming Annual General Meeting. The Company has received a notice in writing from a member u/s. 257 of the Companies Act, 1956 proposing the appointment of Shri Khanna as a Director of the Company.

Shri P.R. Khanna, nominated by Unit Trust of India is a Chartered Accountant by profession, possessing rich and varied experience in Finance, Industry and Trade. The Directors consider that the appointment of Shri Khanna as a Director would benefit to the Company and hence recommend acceptance of the resolution set out in Item No. 7 of the convening notice.

Shri P.R. Khanna is interested and concerned in the Item.

**Item No. 8**

Members are fully aware of the outstanding role and contributions of Shri Yash Mahajan over last 25 years that has brought PTL eminence and an investor friendly tag in the corporate world. PTL's growth and profit performance plus current national stature owes a great deal to Shri Mahajan's commercial instincts, sound judgement and professional approach.

Having regard to the invaluable contributions of Shri Yash Mahajan and the dimensions of Swaraj's growth plans on the anvil, the Directors have elevated Shri Yash Mahajan as Vice Chairman & Managing Director from 1.4.1998 with following revised terms of emoluments applicable from that date :

**(A) Salary**

Rs. 50,000 per month in the scale of Rs. 50,000-2500-60,000 plus dearness allowance at the same rate as payable to Senior Staff from time to time. Annual increment will be effective April 1, 1999 and the additional annual increment(s) will be considered by the Board of Directors on merits in its absolute discretion.

**(B) Perquisites**

Perquisites (evaluated as per Income Tax Rules, wherever applicable, and actual cost to the Company in other cases) such as unfurnished accommodation subject to a ceiling of 60% of salary (without any deduction from the salary in respect thereof), or HRA @ 60% of salary in lieu thereof, provision for gas, electricity, water and furnishings, medical reimbursement for self and family, fees of 2 clubs, premium in respect of personal accident policies (annual premium not to exceed Rs. 4,000/-), contribution to provident and superannuation funds,

## PUNJAB TRACTORS LIMITED

contribution to gratuity funds, provision of car for use on Company's business (with Rs. 500 deduction for local personal purposes), telephone at residence, leave, leave travel assistance to self and family and encashment of leave at the end of tenure and other benefits, in accordance with the scheme and rules of the Company for its Senior Management staff as applicable from time to time.

### (C) Commission

@1% of net profits subject to maximum of 100% of annual salary (basic + dearness allowance).

### (D) Minimum Remuneration

In the event of absence of adequacy of net profit in any financial year, the remuneration payable shall be governed by Section II of Part II of Schedule XIII of the Companies Act, 1956 or any statutory modification thereof.

The Directors commend acceptance of the re-appointment and remuneration in terms of resolution set out in Item 8 of the convening notice.

Shri Yash Mahajan is interested and concerned in the Item.

### Item No. 9

The limit for investment by Non-Resident Indians (NRIs), Overseas Corporate Bodies (OCBs) and Foreign Institutional Investors (FIIs) of 24% of the paid-up Equity Share Capital of a Company has been raised to 30% by the Government, provided the same is approved by Shareholders of that Company in General Meeting by means of a Special Resolution.

Members may note that on date FIIs holding in the Company's Equity is around 18% against current ceiling of 24%. The purpose of this resolution is to allow FIIs to take up equity in the Company upto 30%, which the Directors feel would be in the overall interest of Company/Shareholders.

The Board therefore recommends the Resolution for approval of the Shareholders.

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