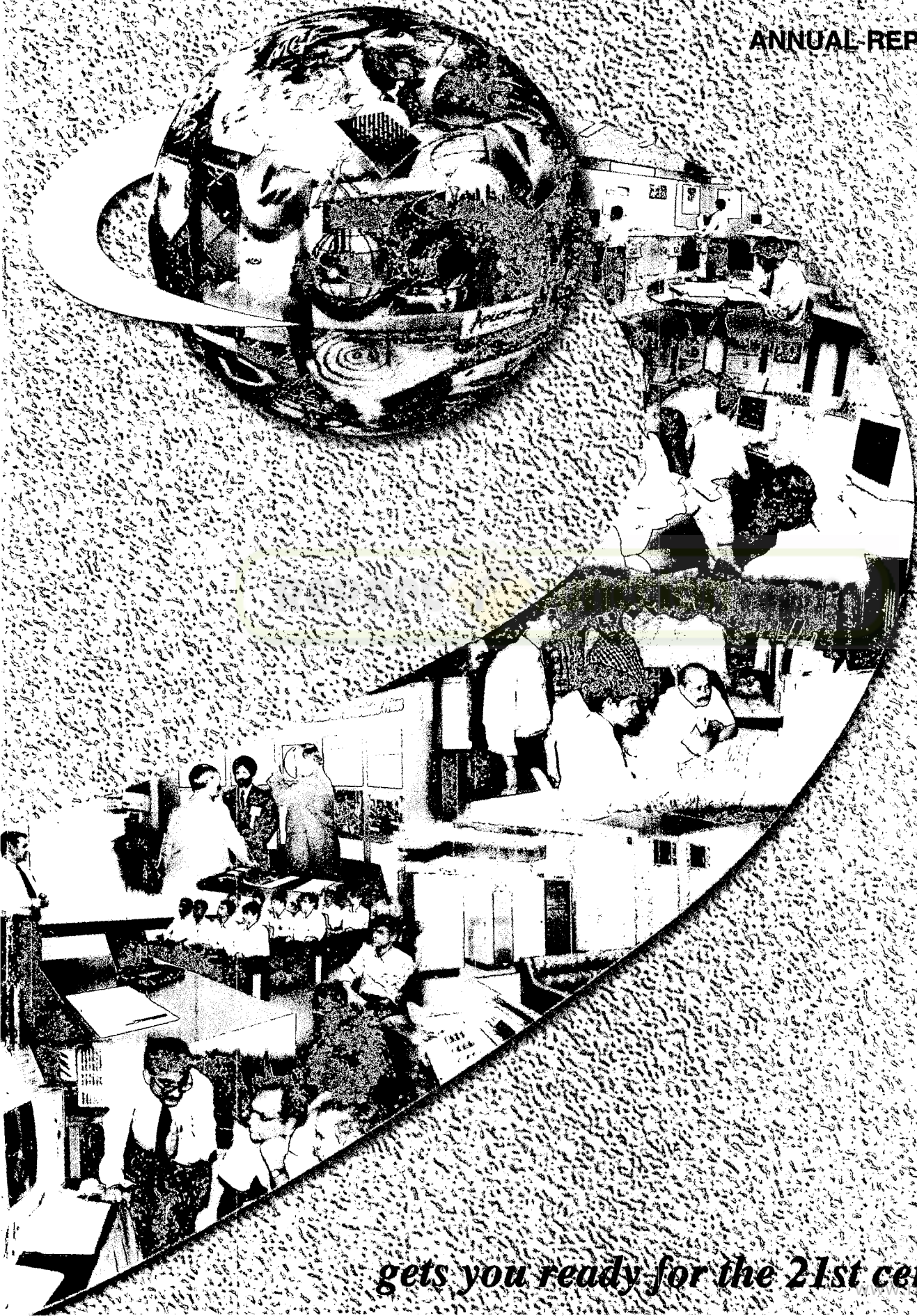
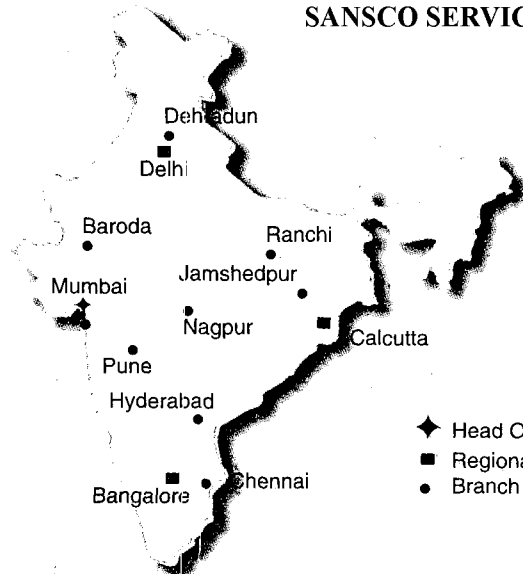


# ROLTA INDIA LIMITED

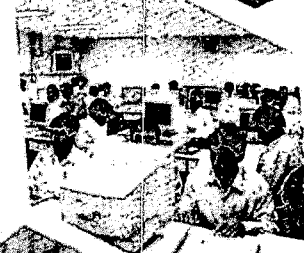
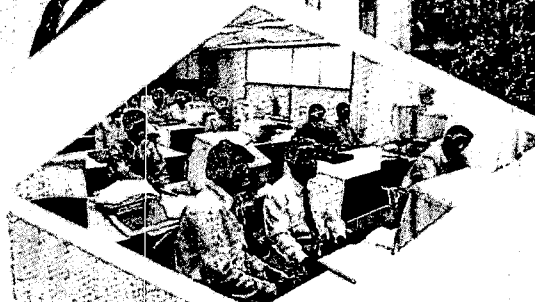
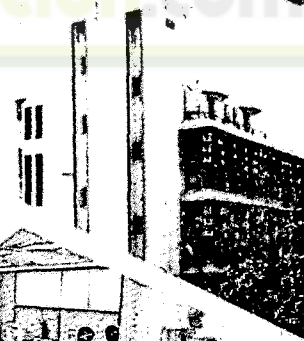
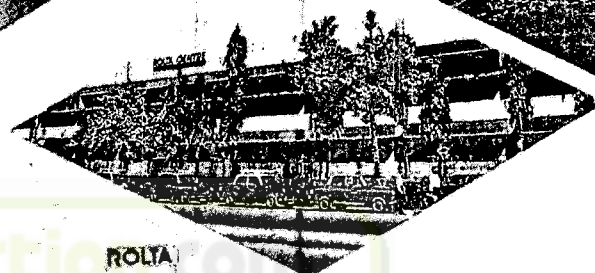
ANNUAL REPORT 1997



*gets you ready for the 21st century..*



- ◆ Head Office
- Regional Office
- Branch Office



**ROLTA**

### Quality Objectives

- ✓ Provide dependable products and services that meet customer expectations—first time, on-time, every time.
- ✓ Recognize that all our commitments, services, and products are an expression of quality.
- ✓ Achieve excellence through systematic review of operations and improve our business credibility.



**Kamal K. Singh**  
Chairman and Managing Director

**ROLTA**

### Quality Policy

We provide products and services that consistently meet or exceed our customers' expectations. Furthermore, we actively pursue goals aimed at achieving excellence in the products and services that we provide to our customers.



**ISO 9001  
CERTIFIED**



## Board of Directors

Mr. K.K. Singh  
(Chairman & Managing Director)

Mr. R.R. Kumar

Mr. R.K. Kaul

Mr. S.L. Baluja

Mrs. Aruna K. Singh

MD	✓		BKC	✓
CS	✓		DPY	✓
DO	✓		DIV	✓
TE	NA		AC	✓
AGM	✓	✓	SH	✓
YE	✓	✓		

Mr. K.R. Modi

Mr. H.P. Ranina

Mr. A.P. Singh

Mr. A.D. Tayal  
(Dy. Managing Director)

## Top Management Team

Mr. K.K. Singh  
Chairman & Managing Director

Mr. A.D. Tayal  
Dy. Managing Director

Dr. M.K. Munshi  
Executive Director – GIS/Infrastructure  
& Customer Support

Mr. K.R. Vaidyanathan  
Executive Director – Sales & Marketing

Mr. A. Chakrabarti  
Executive Director – Plant Design, Generic CAD  
& Software Development

Mr. Andy Hawkes  
Executive Director – AM/FM Conversion Services

Mr. D. Guha  
Executive Director – Commercial & Distribution

Mr. B.I. Joshipura  
Executive Director – Corporate Affairs

Mr. M.L. Mehra  
Executive Director – General Administration

Mr. T.V. Holay  
Executive Director – Personnel & H. R. D.

Mr. V.L. Ganesh  
Executive Director – Finance

Sr. Vice President & Company Secretary

Mr. Harjinder Singh

## Principal Bankers

Central Bank of India

Union Bank of India

Bank of Baroda

Vijaya Bank

## Financial Institutions

Export-Import Bank of India

Industrial Development Bank of India

## Solicitors

Kanga & Co.

## Auditors

Khandelwal Jain & Co.

## Technical Collaborator

Intergraph Corporation, U.S.A.

## Registered Office

Rolta Bhavan, MIDC-Marol,  
Andheri (East),  
Mumbai 400 093.

Tel. No. : 8327708 (5 Lines)

Fax No. : 8365992 Website: www.roлта.com

Email : indsales@rolta.com

## Chairman's statement

Dear Shareholder,

The year 1997 marked another year of appreciable growth and excellent performance by your Company. It gives me great pleasure to share a few significant achievements during this period. The total income exceeded the milestone of Rs. 100 crores (Rs. 1 Billion) recording a growth of 31.80% with export revenue witnessing a quantum jump of 282%. The turnover mix of your Company has changed with more than 75% revenue coming from software and hi-tech value-added services in domestic and international markets.

This growth is a result of leveraging our unique strengths emerging out of a bank of highly qualified and experienced manpower, state-of-the-art infrastructure worldwide, successful track record, service oriented corporate culture, key partnership with world leaders in various segments of Information Technology alongwith a strong corporate commitment to core competence and quality.

As planned, we have set up Rolta Europe in The Netherlands, enabling us to effectively address the vast potential of the European markets, especially in view of the good demand for our hi-tech products and services in the "European Union". We have opened two US Regional offices in Los Angeles and Philadelphia to increase our market reach. We have also taken the requisite steps to augment our facilities in Mumbai consequent to the expansion of our services for the international market.

It is also heartening to note that Business Today (August 1997) has selected your Company amongst the 48-investment grade companies out of 5840 odd companies listed on the Mumbai Stock Exchange based on earning/sales per share, return on networth, price versus fundamentals, etc. This is further underscored by the superior ranking as 63rd amongst the top 1000 corporate giants in India on the basis of net sales, profitability and returns to shareholders as published by Business Standard, November 1997.

I am optimistic that your Company with its innovative approach, excellent business processes, and on-going investment in sophisticated technology will continue to retain the leading position in its core areas of business.

Thank you for your continuing cooperation and support.

Best regards,



**Kamal K. Singh**

Chairman & Managing Director

May 25, 1998

## CORPORATE OVERVIEW

ROLTA is one of India's foremost Information Technology companies offering world class products and services in domestic and international markets. Rolta has achieved this enviable position in a short span of time by a massive investment of over Rs. 200 crores in manufacturing, marketing and support facilities both in India and Overseas. Rolta has a team of 1,500 qualified and skilled people committed to its customers.

Today Rolta is :

- The top CAD/CAM/GIS solutions provider in India.
- Ranked amongst the top 5 AM/FM conversion vendors in the world (London Financial Times).
- Ranked 63<sup>rd</sup> amongst the top 1000 corporate giants in India (Business Standard 1000 November 1997, superranking determined by net sales, profitability and returns to shareholders).
- Ranked amongst the top 500 most valuable companies in India (Business Today, September 1997, determined by market capitalization).
- Ranked amongst 48-investment grade companies out of 5840 odd companies listed on the Mumbai Stock Exchange (Business Today, August 1997).

## ROLTA'S QUALITY COMMITMENT

Rolta's Quality System is accredited to International Quality Standards and bears the prestigious ISO 9001 stamp of the BSI-QA (UK). Customer satisfaction, on-time service and continuous improvement in the products and services are the basic elements that personify Rolta as a corporate entity.

All Roltaites firmly believe in the following Quality Policy:

"We provide products and services that consistently meet or exceed customers' expectation. Furthermore, we actively pursue goals aimed at achieving excellence in the products and services that we provide to our customers."

## CORPORATE PHILOSOPHY AND STRENGTHS

Rolta's impressive growth is the outcome of its Corporate Philosophy - Rolta is firmly focused towards its customers, employees and shareholders with quality and adherence to core competence as its basic value that has been consistently adopted since incorporation.

Rolta's major strengths are :

- Total Solutions
- Financial Stability
- Sound Infrastructure
- Professional approach
- Successful Track Record
- Satisfied Customers World wide
- A Service Oriented Corporate Culture
- Stable and Cohesive Top Management Team
- Key Partnership with World Technology Leaders
- Bank of Highly Qualified And Experienced Manpower

## INTERGRAPH CORPORATION INC.- USA COLLABORATOR & KEY BUSINESS PARTNER

Intergraph Corporation, USA is the world's largest company dedicated to developing and manufacturing interactive computer graphics systems. Intergraph has its presence in 60 countries, employs over 8300 personnel and has an annual turnover of over Rs.4, 400 crores. Intergraph has over 28 years of experience in interactive and 3D graphics and offers the state-of-the-art technology to users in virtually every industry to visually create, use, and manipulate complex information and media.

## STRATEGIC BUSINESS ALLIANCES

Rolta also has strategic business relationships with world leaders in the IT industry such as DELL Computers for Intel processor-based desktops, servers, and notebooks. Intel (Network Products Divisions), USA, for fast Ethernet workgroup solutions; Lannet, UK for industry leading end to end switched networking products; Interleaf, USA, for open integrated document management solutions; Bentley Systems, USA for 2D/3D drafting tools; Magellan, USA, for global positioning system; InterTech, South Africa for mining solutions; CSC, UK for steel structural modeling software; VeriBest, USA, for electronic design and simulation, Texas Micro, USA for industrial grade PCs. etc.

## NATION WIDE PRESENCE

Rolta has established offices across the country to ensure close customer interaction with its Regional Offices at New Delhi, Bangalore and Calcutta and

Branch Offices at 9 other locations. These offices are equipped with state-of-the-art support facilities, skilled manpower and are backed up by specialists from the Head Office at Mumbai. To ensure efficient inter-office and customer communication, all Rolta offices are connected with Internet, E-mail etc. on corporate wide Intranet.

## **INTERNATIONAL OPERATIONS**

Rolta has established Rolta International Inc., with its Headquarters in Huntsville, Alabama, USA, and Regional offices in Los Angeles and Philadelphia to serve the American and Canadian market; Rolta Saudi Arabia in Riyadh to cater to the Middle East region; and Rolta Europe has now been set up in The Netherlands to serve the European market as Netherlands is strategically located and gives easy access to other European nations.

Rolta has set up extensive facilities at its overseas subsidiaries, which help integrate its worldwide operations to provide efficient, cost effective service by reducing project turnaround time, increasing quality and at the same time ensuring data security. They are connected into the Rolta corporate network by dedicated 64kbps leased satellite links to provide uniform state-of-the-art communication setup across Rolta's global operations and facilities in Mumbai. This has established the credibility for providing top quality and time bound conversion services in the highly competitive global market.

## **PRODUCTS AND SERVICES FOR INDIAN MARKET**

Rolta offers a range of total solutions in CAD/CAM/GIS and office automation segments of Information Technology. These solutions are a unique combination of seamlessly integrated software tools bundled with state-of-the-art world class hardware platforms and comprehensive training, requirement analysis, implementation plan, system & workflow engineering and system support.

Rolta's solutions boost productivity, add value, enhance quality, reduce cost and accelerate delivery on enterprise scale projects thereby enabling users and corporates to derive the full life cycle of their engineered assets. Rolta customers include various Central and State Governments departments, public sector undertakings, multinationals and leading Indian business houses.

Rolta provides solutions in the following IT segments in partnership with its various business associates.

- **Mapping & Infrastructure** - Rolta, in partnership with Intergraph, provides solutions

that decision makers need for flexible system to integrate design and geographic data. Project co-ordination demands the ability to acquire, manage, analyze and present design and geographic information in single environment. These solutions can be used in mapping, image processing, terrain analysis, parcel management, digital photogrammetry, cartography and environment resource management. Rolta offers integrated and comprehensive architectural and civil engineering solutions for large infrastructure projects like roads, bridges, dams, water systems, city planning and development.

- **Plant Design Systems** - Project cycles, global sharing of engineering information, management of data and documents are three of the most important factors for a successful process plant. In partnership with Intergraph, Rolta offers comprehensive computer-aided design/engineering application for plant design and construction which offers a complete design workflow for any type of process and power plant.
- **Generic CAD/CAM/CAE Solutions** - Rolta provides state-of-the-art tools for Mechanical-drafting, design, modeling and analysis; Electronics-solutions for PCB, VLSI, circuit design and analysis; Steel Structural Design-3D tools for modeling, detailing and material listing and Interoperability-integration.
- **Engineering Workstations** - Rolta, in partnership with Intergraph, offers a full range of workstations that are unique in the industry because they offer leading edge of today's technology and accommodates the technologies of the future. The range of workstations comprises of high-end 3D graphics, super computing workstations and media production workstations. These systems excel in graphics design, engineering graphics, digital imaging, desktop publishing, web design, financial analysis, CAD and more.

The digital media production workstations enable video producers to perform their entire workflow, including video capture, video editing, audio editing, paint and compositing on a single Windows NT workstation. These solutions provide real 3D rendering and visualization, CGI/Video authoring workflow, story-boarding, modeling, animation, live video capture, non-linear playback, video output. The publishing and prepress workstations cover the entire range of production-critical task of graphic arts, prepress and publishing process.



- **Office Automation** - Rolta offers a complete range of Intel's latest Pentium and Pentium II based Desktops, Notebooks, and Servers. Rolta also offers comprehensive end to end solutions in the areas of total automation for branch banking, MRP-II, and document management. These corporate computing solutions also include optimal management of documents and drawings; quick and efficient retrieval of information, corporate wide accessibility; application integration and adherence to safety and regulatory requirements.
- **Internet, Intranet & Networking Solutions** - Rolta provides powerful and reliable one stop solutions for Internet Service Providers consisting of complete range of hardware, networking components, software, system integration, implementation, training, troubleshooting, support and maintenance.

Rolta provides a wide range of networking products ranging from workgroup and small networks to large enterprise-wide networks. The product range includes print servers, workgroup switches, hubs, routers, other high bandwidth networking components and chassis-based solutions to provide inter-operability between Ethernet, Fast Ethernet, ATM and Token Ring network. Rolta's expertise in WAN design involves installing and configuring routers for WAN connectivity points and configuring remote access connectivity through dialup lines to offices.

#### SOLUTIONS FOR THE INTERNATIONAL MARKETS

Rolta is equipped with the latest tools and technology to handle a wide range of data conversion and technical services across many disciplines. Rolta has years of experience in building sophisticated telephone, electric, gas utilities, and AM/FM/GIS databases, development of digital landbase maps - inclusive of planimetric topographic and cadastral features.

Rolta is also a premier provider of complete CAD conversion services and can address disciplines in power, architecture, civil engineering, utilities, transportation, electrical, nuclear power and manufacturing. Rolta also provides extensive Plant Design and Plant Maintenance services and is fully equipped for P&ID conversion, 3-D piping and equipment modeling, structural modeling, data warehousing, as-built models from close range photogrammetry and has to its credit conversion of over 7 million facilities and landbase features in a variety of software platforms.

Rolta prides itself in providing a full complement of cost-effective services while maintaining the highest level of quality that is evidenced by our ISO 9001 certification. Rolta's experienced software development team customizes client implementations using a wide range of popular software products, including relational database packages, such as Oracle and Informix. The project management methodology best suited to the customer's needs is determined to enable deliver quality results first time, every time.

The testimony to this is the long list of satisfied customers which to name a few are: ALLTEL, AT&T, Alabama Power, Baton Rouge Water, British Telecom, Boston Edison, Commonwealth Gas, Dayton Power, ENERCO Gas, GTE, Hong Kong Telephone, Hamilton-Wentworth Municipality, Intergraph Corporation, Irving City, Malaysian Telecom, MoPTT, MCI, Madison Gas & Electric, National Wetlands, Pacific Bell, Rochester Telephone, South Bell, Telecom FIJI, US West Communications, Washington State etc.... Rolta engineers and managers can boast of having hands-on experience in managing diverse client base, varied platforms and successful conversion projects.

The state-of-the-art-satellite communication facilities enable project tasks to be continuously monitored. Engineers at each facility work together to co-ordinate all production and project management efforts, supporting customers worldwide. This unique approach reduces project turnaround time, increases quality assurance and ensures data security thereby saving customers time and money.

#### ENVIABLE TRACK RECORD

Rolta's strengths in Organization, Technical, Marketing & Financial Management are amply reflected in its success in mobilizing resources and creating infrastructure to service multi-million export services contracts and providing the requisite facilities to support its growing domestic business. The up-front multi-crore investments in creation of infrastructure to service its operation enables Rolta to continue to expand its operation Internationally and solicit additional business in India. Rolta is a financially sound Public Company with around 1,28,000 shareholders and networth of about Rs.141 crores (Rs. 1.41 Billion). The Company has been consistently performing well. Rolta today is a multinational corporation, servicing India and global markets in many segments of Information Technology.

## NOTICE

NOTICE is hereby given that the Eighth Annual General Meeting of the members of ROLTA INDIA LIMITED will be held on Wednesday, June 24, 1998 at 11.30 a.m., at St. Andrew's Auditorium, St. Andrew's College Campus, Opp. Arya Vidya Mandir, Near Holy Family Hospital, St. Dominic Road, Bandra (West), Mumbai 400 050, to transact the following business :

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at December 31, 1997, the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To declare a dividend on Equity Shares for the year ended December 31, 1997.
3. To appoint a Director in place of Mr. S. L. Baluja who retires by rotation at this meeting and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. K. R. Modi who retires by rotation at this meeting and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Mrs. Aruna K. Singh who retires by rotation at this meeting and being eligible, offers herself for reappointment.
6. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting, with authority to the Board of Directors of the Company to fix their remuneration.

### SPECIAL BUSINESS

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

"RESOLVED THAT the present Authorised Capital of the Company viz. Rs.75,00,00,000/- (Rupees Seventy Five Crores only) consisting of 7,50,00,000/- (Seven Crores Fifty lacs) Equity Shares of Rs.10/- each, be and is hereby reclassified and modified to Rs.75,00,00,000/- (Rupees Seventy Five Crores only) divided into 6,50,00,000 (Six Crores Fifty Lacs) Equity Shares of Rs.10/- each and 10,00,000 (Ten lacs) Redeemable Preference Shares of Rs.100/- each which may be at par or at premium, convertible or non-convertible into equity shares; with or without voting rights, cumulative or non-cumulative, and which may carry such dividends, maturity periods and subject to such terms and conditions, as may from time to time be decided by the Board of Directors of the Company."

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

"RESOLVED THAT the words "The Authorised Share Capital of the Company is Rs.75,00,00,000/- (Rupees Seventy Five Crores only) divided into 7,50,00,000/- (Seven Crores Fifty lacs) Equity Shares of Rs.10/- each (Rupees Ten only) in Clause V of the Memorandum of Association of the Company, be and are hereby altered and substituted as follows :

"The Authorised Share Capital of the Company is Rs.75,00,00,000/- (Rupees Seventy Five Crores only) divided into 6,50,00,000 (Six Crores Fifty Lacs) Equity Shares of Rs.10/- each (Rupees Ten only) and 10,00,000 (Ten lacs) Redeemable Preference Shares of Rs.100/- each (Rupees

One Hundred only). The Preference Shares may be at par or at premium, convertible or non-convertible into equity shares, with or without voting rights, cumulative or non-cumulative, and may carry such dividends, maturity periods and subject to such other terms & conditions, as may from time to time be decided by the Board of Directors of the Company."

9. To consider, and if thought fit, to pass the following resolution, with or without modification, as a SPECIAL RESOLUTION :

"RESOLVED THAT pursuant to Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification or re-enactment thereof and the Memorandum & Articles of Association of the Company; and subject, wherever required, to any other approval of Appropriate Authorities, the Board of Directors of the Company (hereinafter referred to as "the Board" - which term shall be deemed to include any duly authorised committee thereof for the time being exercising the powers conferred on the Board by this Resolution) be and is hereby authorised, on behalf of the Company, to issue, subject to the provisions of the Companies Act, 1956, SEBI Regulations and such other rules and regulations; Redeemable Preference Shares, Cumulative or Non-Cumulative, convertible or non-convertible, at par, without any voting rights except in case of default; and in such numbers as the Board may decide for a sum not exceeding Rs.10 crores (Rupees Ten Crores Only) and to offer them on Private Placement basis to the Bodies Corporate, Financial Institutions, Foreign Institutional Investors, Mutual Funds, Promoters or any other persons/parties, whether they are holders of Equity Shares of the Company or not, in one or more trenches, carrying such rate of dividend as the Board may decide in its absolute discretion and redeemable at such price, in one or more instalments or convertible, into equity shares as per SEBI guidelines and/or requirements of other Competent Authorities on expiry of the specified periods as may be agreed to by the Board in its absolute discretion and the subscribers; and in the manner and upon such other terms and conditions as may be prescribed in granting approvals by the Appropriate Authorities or which the Board may at its absolute discretion consider proper or expedient.

"RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to agree to make such modifications and alterations from time to time as it deems fit and to take all steps as it may deem necessary, desirable or expedient and to resolve all questions of doubt relating to the Private Placement and to do all acts, deeds and things in connection therewith, and/or incidental thereto as the Board in its absolute discretion shall deem fit without being required to seek any fresh approval of the Members of the Company and the decision of the Board shall be final and conclusive."

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such sanctions as may be necessary, the Company hereby approves the re-appointment of Mr. Kamal K. Singh as the Managing Director



of the Company with effect from January 1, 1999 to December 31, 2003 upon the terms & conditions and the payment of remuneration and other perquisites/benefits to Shri Kamal K. Singh during the said period of 5 years; as set out in the draft agreement (copy whereof duly initialled by the Chairman for the purpose of identification is placed before this Meeting), such remuneration, perquisites/benefits being also set out in the Explanatory Statement attached to the notice convening this Annual General Meeting; with liberty to the Board of Directors of the Company to alter and vary such remuneration/benefits provided the same are in accordance with and within the limits specified under Schedule XIII to the Companies Act, 1956 as amended or as may hereafter be amended from time to time."

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

"RESOLVED THAT pursuant to Section 372 and other applicable provisions, if any, of the Companies Act, 1956, and subject to the prior approval of the Central Government, wherever required, the Board of Directors of the Company be and is hereby authorised to invest any sum as they may deem fit, in the interest of the Company, by way of subscription, purchase or otherwise in equity shares at par or at premium in any bodies corporate, whether under the same management or not, which the Directors may deem expedient and in the best interest of the Company, notwithstanding that the aforesaid investment or investments or any or more of them together with the existing investments of the Company and of the subsidiaries, in all other bodies corporate shall be in excess of the percentages as prescribed by the Government, and as may be prescribed hereafter under the provisions of Section 372(2) of the Companies Act, 1956, and the proviso thereto"

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to determine actual sum or sums to be so invested and to decide all or any other matter arising out of or incidental to the proposed investments and to do all such acts and things as may be necessary to implement this Resolution".

12. To consider, and if thought fit, to pass the following Resolution, with or without modification, as an ORDINARY RESOLUTION :

"RESOLVED THAT the Board of Directors of the Company be and hereby authorised, pursuant to section 293 (1) (d) of the Companies Act, 1956, to borrow any sum or sums or monies from time to time, together with the sum or sums or monies already borrowed by the Company (apart from temporary loans obtained from Company's bankers in the ordinary course of business) upto Rs. 500 Crores (Rupees Five Hundred Crores only) notwithstanding that such sum or sums or moneys exceed the aggregate of paid-up Capital of the Company and its free reserves".

13. To consider and if thought fit, to pass the following resolution, with or without modification, as a 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 are hereby altered as follows :

- (i) After the last sub-clause of Article 2 the following sub-clauses shall be inserted :

"beneficial owner" means the beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996,

'Depositories Act,' means the "Depositories Act, 1996" as amended from time to time.

'Depository' means a Depository as defined under clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996.

- (ii) In Article 13 the words "Subject to Section 11 of the Depositories Act, 1996 and Section 152A of the Act", be and is hereby inserted before the word "the Company ....." in the first line; and after the words "..... the Act" the words "Subject to Section 10 of the Depositories Act, 1996, every person holding equity share capital of the Company and whose name is entered as beneficial owner in the records of the Depository shall be deemed to be a member of the Company" be and are hereby added.

- (iii) In Article 14 after the words "the capital" and before the words "shall be numbered"; the words "other than the dematerialised shares", be and are hereby inserted.

- (iv) The following Article 28A be and is hereby inserted after the existing Article 28 :

28A Notwithstanding anything to the contrary contained herein, the Company shall be entitled to dematerialise (as also rematerialise) its Shares, Debentures and other securities pursuant to the Depositories Act, 1996 and to offer its Shares, Debentures and other securities for subscription in a dematerialised form. The Company shall further be entitled to maintain a Register of Members holding shares both in material and dematerialised form in any media as permitted by law including any form of electronic media. "Furthermore, in the case of transfer of shares or other marketable securities where the Company has not issued any Certificates and where such Shares or Securities are being held in an electronic and fungible form, the provisions of the Depositories Act, 1996 shall apply."

- (v) In Article 58 the words "subject to Article 28A herein above" be and are hereby inserted before the words "the Instrument" in the first line of the Article.

By Order of the Board

Harjinder Singh  
Sr. Vice-President & Company Secretary

Mumbai

Dated : March 26, 1998

#### NOTES

1. A member entitled to attend and vote at the Annual General Meeting may appoint a proxy instead of himself. A proxy so appointed shall be entitled to vote on a Poll only and a proxy need not be a member of the Company. Proxies in order to be effective must be received not less than 48 hours before the meeting.



2. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, June 15, 1998 to Wednesday, June 24, 1998 (both days inclusive).
3. The Directors have recommended a Dividend @ Rs.1.80 per equity share; which will be paid to members whose names stand on the Register of Members as on June 24, 1998; with Dividend Warrants posted to them on or before August 4, 1998.
4. Pursuant to the provisions of Section 194 of the Income-Tax Act, 1961 as amended by the Finance Act, 1997; no Income Tax will be deducted from dividends. The Company will bear the additional Income Tax @ 10% on profits levied on companies under Section 115-0 of the Income Tax Act, 1961 as amended by the Finance Act, 1997.
5. Pursuant to the provisions of Section 205A of the Companies Act, 1956 read with Rule 4A of the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978. The Company has transferred the unclaimed dividends declared upto the financial year 1992-93 (and is shortly transferring the unclaimed Interim and Final dividends for the year 1993-94); to the General Revenue Account of the Central Government. Those shareholders who have not encashed the dividend warrants for the aforesaid years are requested to claim the amount from the Registrar of Companies, Cotton Mills Estate, Hakoba Compound, Kala Chowkie, Mumbai. 400 033.

Since the 1995 unclaimed dividends have similarly to be transferred to the Central Government; those shareholders who have not received/claimed the 1995 dividend, should lodge, before July 15, 1998; their claims with the Company for the same alongwith the Original Dividend Warrant or any proofs together with a letter of Indemnity in favour of the Company; failing which the 1995 Unclaimed Dividends shall be transferred to the Central Government as per the Companies Act, 1956.

6. Members are requested to promptly notify to the Company any changes in their addresses.

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

##### **Items 7 & 8**

The present Authorised Share Capital of the Company is Rs.75 Crores divided into 7.50 Crores Equity Shares of Rs.10/- each, against which the Paid up Equity Share Capital is Rs.54.89 Crores. With a view to enable your Company to issue Preference Shares, it is proposed under Item 7 to reclassify/split up the Authorised Equity Share Capital of the Company viz. Rs.75 Crores into Equity Share Capital of Rs.65 Crores consisting of 6.50 Crores Equity Shares of Rs.10/- each and 10 lacs Preference Shares of Rs.100/- each. Item 8 deals with the consequential amendment to the Memorandum of Association of the Company. Subject to the provisions of the Companies Act, 1956 and other applicable statutes, such Preference Shares may be redeemable, cumulative, without voting rights, at par or at premium and on such other terms & conditions including those relating to dividends and maturity periods; as the Board of Directors of the Company may from time to time at its discretion decide.

None of the Directors is interested or concerned in the said Resolution.

##### **Item 9**

Due to rapid growth and substantial increase in its level of operations, the capital expenditure and long term working capital needs of your Company have increased significantly with the Company having invested substantial funds in new projects and new business opportunities expected to materialise in the coming years.

The Resolution seeks to enable the Company to issue Preference Shares upto Rs.10 Crores; such Preference Shares to be issued at par, cumulative or non-cumulative, convertible or non-convertible, without voting rights except in case of default, redeemable, carrying such dividends and maturity periods and upon such other terms & conditions as the Board of Directors of the Company may from time to time, decide at their absolute discretion.

The approval of the members is sought pursuant to the provisions of Section 81 of the Companies Act, 1956.

No Director of the Company is interested or concerned in the Resolution except to the extent of his shareholding in the Company.

##### **Item 10**

The members of the Company at their Annual General Meeting held on 20th December, 1993, had sanctioned and approved the appointment and remuneration of Mr. Kamal K. Singh, as the Managing Director of the Company for a period of 5 years from January, 1 1994 to December 31, 1998. As the next Annual General Meeting of the Company was expected to be held only in June, 1999; it was desirable that the reappointment of Mr. Kamal K. Singh for a further period of 5 years from January 1, 1999 to December 31, 2003 on revised terms & conditions as stated herein, be taken up at this meeting. Hence the Resolution.

The remuneration/perquisites/benefits payable to Mr. Kamal K. Singh, as Managing Director of the Company from January 1, 1999 to December 31, 2003 and as set out in the draft Agreement mentioned in the Resolution, shall be as follows:

##### **EMOLUMENTS**

- A. **Salary** : Rs.1.00,000/- (Rupees One Lac only) per month
- B. **Commission** : 2 1/2% of the net profits of the Company (computed under and subject to the Companies Act, 1956). The Board may consider payment of a higher commission for any year, as the Board may consider reasonable, taking into account the performance and profitability of the Company.

Provided that such commission shall be payable to the Managing Director, only after the Company's Annual Accounts and Balance Sheet under Section 210 of the Companies Act, 1956 are laid before the Company's Annual General Meeting.

##### **C. Perquisites**

**Category I** : (a) **Housing** : Furnished residential accommodation will be provided to the Managing Director in lieu whereof rent @ 10% of his salary will be deducted. Expenses towards gas, water, electricity and servants, etc. shall be borne and paid by the Company at actuals; in respect of which 10% of the salary of the Managing Director shall be deducted by the Company.