

Fourteenth
Annual Report
2004-2005

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Sree Sakthi
paper mills



DIRECTORS

Mr. S. Sivathanu
Mr. S. Rajkumar (Mal)
Mr. S. Giridhar
Mr. A.S. Unni
Mr. N. Ravindranathan
Mr. S. Subramaniam
Mrs. E. Kamalam
Mr. U. Gururaja Bhat

BANKERS

State Bank of India

AUDITORS

M/s Balan & Co.
Ernakulam, Cochin - 11.

REGISTERED OFFICE

57/2993, "SREE KAILAS"
Paliyam Road,
Ernakulam, Cochin - 16.

FACTORIES

KRAFT PAPER UNIT:
Development Area
Edayar, Alwaye.

DUPLEX BOARD UNIT:

Kanjirapilly
Chalakkudy.



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SREE SAKTHI PAPER MILLS LIMITED

SREE SAKTHI PAPER MILLS LTD.

Regd. Office : Sree Kailas, 57/2993
Paliyam Road, Cochin - 682 016.

NOTICE TO SHARE HOLDERS

Notice is hereby given that the Fourteenth Annual General Meeting of the Share holders of the Company will be held at 3.00 P.M on Monday, August 29, 2005 at Hotel Abad Plaza, M.G. Road, Ernakulam, Cochin-35 to transact the following business

AGENDA

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2005 at and the Profit and Loss Account for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To declare dividend
3. To appoint a Director in place of Sri. N. Ravindranathan, who retires by rotation according to Article 83 of the Articles of Association of the Company and who, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Sri. A S. Unni, who retires by rotation according to Article 83 of the Articles of Association of the Company and who, being eligible, offers himself for reappointment.
5. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

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

RESOLVED THAT Mr. Gururaj Bhatt who was appointed as an Additional Director and who in terms of Section 260 of the Companies Act, 1956 read with Article 82 of the Articles of Association of the Company holds such office till the date of the Annual General Meeting and in respect of whom the company has received a notice under Section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director along with a deposit of Rs. 500/- be and is hereby appointed as a Director of the Company.

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

- a) Resolved pursuant to section 94 (1)(a) of the Companies Act, 1956 and Article 3 of the Articles of Association of the Company that the Authorised Share Capital of the Company be and it is hereby increased from Rs. 3,00,00,000/- divided in to 30,00,000 equity shares of Rs. 10/- each to Rs. 20,00,00,000/- divided into 2,00,00,000 equity shares of Rs. 10/- each by creation of 1 70,00,000 equity shares of Rs. 10/- each ranking paripassu with the existing shares.

- b) FURTHER RESOLVED THAT Clause V of the Memorandum of Association of the Company be and is hereby altered in the following manner.

"V. The Authorised Share capital of the Company is Rs.20,00,00,000/- (Rupees Twenty Crore Only) divided in to 2,00,00,000/- (Two Crore only) equity shares of Rs. 10/- (Rupees Ten only) each. The Company has power to increase or decrease the Authorised Capital as may be determined from time to time in accordance with law."

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

Resolved that the following Articles of Association of the Company be and are hereby altered in the following manner by way of substitution / addition etc.

- 1) **Existing Article 3 be deleted and in its place the following Article 3 be inserted**

"3. The Authorised Share capital of the Company is Rs 20,00,00,000/- (Rupees Twenty Crore Only) divided in to 2,00,00,000/- (Two Crore) equity shares of Rs. 10/- (Rupees Ten only) each."

- 2) **After the existing Article 14 , the following Article numbered 14A be inserted (before Article 15)**

FURHTER ISSUE OF SHARES

- 14 A 1. Where at the time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of



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shares in the company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the company by allotment of further shares either out of the unissued capital or out of the increased share capital then:

- (a) Such further shares shall be offered to the persons who at the date of the offer are holders of the equity shares of the company in proportion as near as circumstances admit to the capital paid up on those shares at that date.
- (b) Such offer shall be made by a notice specifying the number of shares offered and limiting a time not less than thirty days from the date of the offer and the offer if not accepted, will be deemed to have been declined.
- (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and to notice referred to in sub clause (b) hereof shall contain a statement of this right. PROVIDED THAT the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him.
- (d) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose off them in such manner and to such person(s) as they may think, in their sole discretion, fit.

2. Notwithstanding anything contained in sub-clause (1) thereof the further shares aforesaid may be offered to any persons (whether or not those persons include the person referred to in clause (a) of sub-clause (1) hereof) in any manner whatsoever.

- (a) If a special resolution to that effect is passed by the company in General Meeting or
- (b) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the General Meeting (including the casting vote, if any of the Chairman) by the members who, being entitled to do so, vote in person or where proxies are allowed, proxy exceed the votes, if

any, cast against the proposal by members so entitled and voting and the Central Government is satisfied on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company.

3) Nothing in sub-clause (c) of (1) hereof shall be deemed:

- (a) To extend the time within which the offer should be accepted; or
- (b) To authorise any person to exercise the right to renunciations for a second time on the ground that the person in whose favour the renunciation was first made as declined to take the shares comprised in the renunciation.

4 Nothing in this Article shall apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debenture issued or loans raised by the company.

- (i) To convert such debentures or loans into shares in the company; or
- (ii) To subscribe for shares in the company (whether such option is conferred in these Articles or otherwise)

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term;

- (a) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with Rules, if any made by that Government in this behalf; and
- (b) In the case of debentures or loans or other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the company in General Meeting before the issue of the debentures or raising of the loans.

3. **Existing Article 4 (including heading) be deleted and in its place the following Article 4 be inserted**

SHARES AT THE DISPOSAL OF THE DIRECTORS

- "4. Subject to the provisions of section 81 of the Act and these Articles the shares in the capital of the company for the time being shall be under the control of the Directors who may issue allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or



(Subject to the compliance with the provisions of Section 79 of the Act.) at a discount and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the company in the General Meeting."

4. **Existing Article 7 (including heading) be deleted and in its place the following Article 7 be inserted**

LIMITATION OF TIME FOR ISSUE OF CERTIFICATES

- "7. Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division consolidation or renewal of any its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid up thereon and shall be in such form as the directors may prescribe or approve provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder."

5. **Existing Article 8 (including heading) be deleted and in its place the following Article 8 be inserted**

ISSUE OF NEW CERTIFICATE IN PLACE OF ONE DEFACED, LOST OR DESTROYED

- "8. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the article shall be issued without payment of such fees (not exceeding Rs. 2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificate in replacement of those which are old defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the directors shall comply with such Rules or Regulation of requirements of any stock Exchange or the Rules made under Securities Contract (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.

The provisions of this Article shall mutates mutants apply to debentures of the Company."

6. **Existing Article 34 (including heading) be deleted and in its place the following Article 34 be inserted**

DIRECTORS MAY REFUSE TO REGISTER TRANSFER

- "34. Subject to the provisions of Section 111 of the Act, and section 22-A of the securities contracts (Regulation) Act, 1956 the directors may at their own absolute and uncontrolled discretion and by giving reasons decline to register or acknowledge any transfer or shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the company but in such cases the Directors shall within one month from the date on which the instrument of transfer was lodged with the company send to the transferee and the transferor notice of the refusal to register such transfer provided that registration of transfer shall not be refused on the ground of the transferor provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the company on any account whatsoever except when the company has a lien on the shares. Transfer of shares/debentures in wherever lot shall not be refused."



7. **After the existing Article 37 , the following Article numbered 37 A be inserted (before Article 38)**

37 A NO FEE ON TRANSFER OR TRANSMISSION:

No fee shall be charges for registration of transfer, transmission, probate succession Certificate and Letters if administration Certificate of Death or marriage, power of Attorney or similar other document.

8. **Existing Article 30 (including heading) be deleted and in its place the following Article 30 be inserted.**

PAYMENT IN ANTICIPATION OF CALL MAY CARRY INTEREST

- "30. The Directors may if they think for subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance and so much.; thereof as from time to time exceeds the amount of the calls then made upon their shares in respect of which such advances has been made the company may pay interest at such rate as the member that money paid in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The directors may at any time repay the amount so advanced"

The members shall not be entitled to any voting rights in respect if the moneys so paid by him until the same would but for such payment become presently payable

The provisions of these Articles shall mutates mutants apply to the calls on debentures of the Company.

9. **Existing Article 47 (including heading) be deleted and in its place the following Article 47 be inserted**

COMPANY'S LIEN ON SHARE/ DEBENTURE

- "47. The company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares / debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares / debentures and no equitable interest in

any share shall be created except footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonus from time to time declared in respect of such shares /debentures. Unless otherwise agreed the registration of a transfer of shares /debentures shall operate as a waiver of the Company's lien if any on such shares/ debentures. The directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause."

10. **Existing Article 117 (including heading)be deleted and in its place the following Article 117 be inserted**

UNPAID OR UNCLAIMED DIVIDEND

- "117. Where the company has declare a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 42 days from the date of declaration to any shareholder entitled to the payment of the dividend the company shall within 7 days from the date of expiry of the said period of 42 days open a special account in that behalf in any scheduled bank called " Unpaid Dividend of Limited and transfer to the said account the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.

Any money transferred to the unpaid dividend account of the company which remains unpaid or unclaimed for a period of three years from the date of such transfer, shall be transferred by the company to the general revenue account of the Central Government. A claim to any money so transferred to the general revenue account may be preferred to the Central Government by the Share holders to whom the money is due.

No unclaimed or unpaid dividend shall be forfeited by the Board."

- 11) **After the existing last Article 126, the following Articles numbered 127, 128, and 129 be inserted.**

Article 127

- i) **Power of Company to Dematerialise and rematerialise**
- ii) Every person subscribing to securities offered by the Company shall have the option to receive the security certificate or hold the securities with a Depository. A person who is the beneficial owner of the securities can at any time opt out of a Depository, provided by the Depositories Act, 1996,



and the Company shall, beneficial owner the required certificates of securities. If a person opts to hold his securities with a Depository, the company shall intimate such Depository the details of allotment of the security, and on receipt of the information the Depository shall enter in its records the name of allottee as the beneficial owner of the security.

iii) Securities in Depositories in fungible form

All securities held by a Depository shall be dematerialized and shall be in fungible form. Nothing contained in Section 153 and 372A of the Companies Act, 1956 shall apply to a Depository in respect of the securities held by it on behalf of beneficial owners.

iv) Rights of Depositories and Beneficial Owner

Notwithstanding anything to the contrary contained in the Act or these Articles, Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner and shall not have any voting rights or any other rights in respect of securities held by it.

Every person holding securities of the company and whose name is entered as the beneficial owner in the records of the Depository shall be a member of the company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respects of his securities, which are held by a Depository.

v) Service of Documents

The Depository shall furnish to the company the information of transfer of securities and records of beneficial ownership at such intervals and in such manner as may be stipulated under the provisions of the Depositories Act.

vi) Transfer of Securities

Transfer of Securities held in Depository will be governed by the provisions of Depositories Act. Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a Depository.

vii) Allotment of Securities dealt within a Depository

Notwithstanding anything containing the Act or these Articles, where securities are dealt in a dematerialized form with a Depository, the Company shall intimate the details thereof to the

Depository immediately on allotment of such securities.

Article 128

Distinctive Numbers

The Register of beneficial owners maintained by a Depository under the Depositories Act, shall be deemed to be the Register of members for the purpose of these Articles.

Article 129

Register of Beneficial Owner

Notwithstanding anything contained in these Articles, the provisions of Depositories Act, relating to dematerialisation of securities (including any modification or re-enactment thereof and Rules / Regulations made there under) shall prevail and apply accordingly.

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

RESOLVED THAT in supersession of the resolution passed at the annual General meeting held on 30th September, 2004 fixing the borrowing limits of the Company at Rs. 25 crores (Rupees Twenty Five crores) the consent of the Company be and is hereby accorded to the Board of Directors under Section 293 (1) (d) of the Companies Act, 1956, to borrow any sum or sums of money from time to time notwithstanding that the money of moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from Company's Bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purposes provided however, the total amount so borrowed shall not exceed Rs. 100 Crores (Rupees One Hundred Crores)

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

RESOLVED THAT pursuant to section 81 and other applicable provisions if any, of the Companies Act, 1956 and subject to the consent of such authorities as may be required and subject to such modifications / alterations as the concerned authorities may direct or impose while granting such consent and which the Board of Directors be and is hereby authorised to agree to if the board considers fit and proper to do so, consent of the members of the Company be and is hereby granted to the board of Directors of the Company to issue



SREE SAKTHI PAPER MILLS LIMITED

6075000 equity shares of Rs. 10/- each as Bonus issue in the ratio of three (3) Equity shares of Rs. 10/- each for every one (1) Equity shares held of Rs. 10/- each to the existing share holders of the Company whose names will appear in the register of members of the Company on 29.08.2005 being the record date in this behalf to be fixed by the Board by capitalizing the entire amount of Rs. 37,50,000/- standing to the credit of Share Premium account and Rs. 5,70,00,000/- from the General Reserve account of the Company in terms of Companies Act, 1956.

1. FURTHER RESOLVED THAT the said new equity shares to be allotted as Bonus shares will be allotted subject to the terms of Memorandum and Articles of Association of the Company.
2. The new equity shares shall rank paripassu in all respects with and carry the same right as the existing fully paid up equity shares of the Company and notwithstanding the date or dates of allotment thereof shall be entitled to participate in full in any dividend to be declares in respect if the financial year in which the allotment of the new Equity shares pursuant to this resolution is made.
3. No letter of allotment will be issued by the Company in respect of the equity shares. However, the equity share certificates in respect thereof will be ready for delivery to the allottees with in 1 (one) month from the date of allotment thereof.

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised, to do all such acts, matters and things whatsoever including setting any question, doubt or difficulty that may arise with regard to or in relation to the issue of allotment of Bonus shares.

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

" RESOLVED THAT in modification of Resolution passed at the Annual General Meeting of the Company held on 1st September, 2003 and in accordance with the provisions of Sections 311, 198, 269 and 309 read with Schedule- XIII and all other applicable provisions if any of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, the Company hereby approves the remuneration payable to Sri. S. Rajkumar on his appointment as Managing Director of the Company for a period of 35 months from 11.08.2005 to 10.07.2008 on the terms and conditions including remuneration and perquisites as approved by the Board of Directors

(hereinafter referred to as "Board" which term shall be deemed to include the Remuneration committee constituted by the Board) at their meeting held on 5th August, 2005 and accepted by Mr. S Rajkumar with liberty to the "Board" to alter and vary the approved terms and conditions as the "Board" may consider necessary and as may be agreed to by Mr. S. Rajkumar within the overall limits as specified in Schedule XIII to the Companies Act, 1956 for the time being in force or any statutory modification or re-enactment thereof and/or any rules or regulations framed there under."

" FURTHER RESOLVED that wherein in any Financial year, the Company has no profit or if profits are inadequate, the minimum remuneration payable to the Managing Director shall be the same substantive salary and perquisites (excluding commission) as above mentioned subject to the ceilings set out under Schedule XIII to the Companies Act, 1956."

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

Pursuant to provisions of Section 81 (IA) and other applicable provisions, if any of the Companies Act, 1956 and in accordance with the provisions of Articles of Association of the Company consent to the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred as " Board") and Board be and is hereby authorised, subject to such consents and approvals of concerned authorities prescribed under any statute for the time being which the board is empowered to accept to create and issue not exceeding 84,00,000(Eighty four lakhs Only) Equity shares of Rs. 10/- each at such premium as may be decided by the board but not exceeding Rs. 30/- per share, to such person or persons as the Board may deem fit and proper, whether or not such person or persons are existing share holders of the Company.

Resolved further that for the purpose of giving effect to this resolution the Board/ committee thereof be and is hereby authorised to do all such other things and acts as may be necessary and to settle any question or difficulty that may arise in connection therewith in such manner as it may deem expedient.

By order of the Board
For Sree Sakthi Paper Mills Ltd

Sd/- R. Ponnambalam
Company Secretary

Kochi- 16
06.08.2005

**NOTES:**

Explanatory statement Pursuant to Section 173 (2) of the Companies Act, 1956 in respect of Item No. 6 to 12 of the notice is annexed hereto.

1. A Member is entitled to attend and vote at the meeting is entitled to appoint a proxy and the proxy need to be member. Proxies in order to be effective must be lodged at the Registered Office of the company not less than 48 hours before the commencement of the meeting.
2. Dividend, if declared will be paid to those members whose names appear in the register of Members on 29th August, 2004 or to their mandates.
3. Members are requested to notify their change of address if any
4. The accounts, the reports and all other documents required under the law to be annexed thereto will be available for inspection during working hours between 10 a.m to 1 p.m. at the Registered office of the company on any working day except Saturdays and Sundays prior to the date of Annual General Meeting.

EXPLANATORY STATEMENT UNDER SECTION -173 (2) OF THE COMPANIES ACT, 1956

Item No.6

Sri. Gururaj Bhat was appointed as an Additional Director of the Company with effect from 5th August, 2005 pursuant to section 260 of the Companies act, 1956 read with article of Articles of association of the Company and he will hold office as Director upto the date of this Annual General meeting. The Company received an notice in writing from a shareholder proposing the candidature of Sri. Gururaj Bhat for the office of Director of the Company along with a deposit of Rs. 500/- as required under the Companies act, 1956. Sri. Gururaj Bhat is an expert Consultant on paper industry. He is also a Director of Emami Paper Mills Ltd.

Your Directors recommend his appointment as a Director of the Company.

None of the Directors is in any way concerned or interested in this resolution except Sri. Gururaj Bhat.

Item No.7

The Authorised share capital of the Company presently stands at Rs.3 crores divided into 30,00,000 equity shares of Rs. 10/- each. With the growing expansion of the Company's business it is desirable to bring the Authorised Capital of the company in proper correlation with the magnitude of the Company's resources and its size of undertaking. It is therefore considered advisable to increase the Authorised Capital of the

Company from Rs. 3 Crore to Rs. 20 Crores by creation of 17,00,000 Equity shares of Rs.10/- each which will rank paripassu in all respect with the existing equity shares in the Company. The proposed increase of the Authorised capital of the Company requires the approval of the members in General meeting. Consequent upon the increase in authorised capital of the Company, its memorandum and articles of association will require alteration so as to reflect the increase in share capital.

The Board recommends that the resolution passed.

None of the Directors of the Company is concerned or interested in the resolution.

Item No.8 (1 to 11)

- 1) The resolution proposed is a consequential resolution to alter Article 3 of the Articles of Association of the Company regarding capital clause subject to passing of the resolution as per item no. 7 of the agenda.

(2 to 11)

The Company intends to list the Company's existing as well as proposed new equity shares with the stock exchange. The proposed resolutions in regard to alteration of some of the Articles of addition of certain clauses in the Articles of Association of the Company is to meet with the listing requirements relating to the provisions to be contained in the Articles of Association of the Company.

Your Directors commend this resolution to the members.

None of the Directors of the Company is concerned or interested in the resolution.

Item No.9

At the General Meeting of the Company held on 30th September, 2004 the Company had accorded its consent under section 293 (I) (d) of the Companies Act, 1956 to the directors borrowing moneys up to a limit of Rs. 25 Crore in excess of the paid up capital and free reserves of the Company, (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) Taking in to account the further requirements of additional finance for the expansion programme for increasing the production capacity by 50% envisaged by the Company a fresh resolution is proposed providing that, in addition to the Company's existing borrowings, the directors may for and on behalf of and for the purpose of the Company borrow further sums of money amounting in the aggregate to a sum of not more than Rs. 75 Crore, thereby raising the total borrowing limit from Rs. 25 Crore to Rs. 100 Crore.