


25th ANNUAL REPORT 1997-98

MD	<input checked="" type="checkbox"/>	BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>	DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>	DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>	AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	SHH	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>		

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MAHAVIR SPINNING MILLS LIMITED



Business Philosophy

Shri S.P. Oswal - Chairman

- *Faith in bright future of Indian textiles and hence continued expansion in areas "which we know best".*
- *World class manufacturing facilities with most modern R&D and process technology.*
- *Total customer focus in all operational areas.*
- *Faith in individual potential and respect for human values.*
- *Products to be of best available quality for premium market segments through TQM and zero defect implementation.*
- *Encouraging innovation for constant improvements to achieve excellence in all functional areas.*
- *Global orientation targeting — at least 20% production for exports.*
- *Accepting change as a way of life.*
- *Integrated diversification/product range expansion.*
- *Appreciating our role as a responsible corporate citizen.*

From this business philosophy emerge Vardhman's STRANDS OF STRENGTH which have propelled the group growth much above the industry average.



Mahavir Spinning Mills Ltd.

BOARD OF DIRECTORS:

SHRI SHRI PAUL OSWAL	— Chairman
SHRI R.J. BEDEKAR	— (Nominee of IDBI)
SHRI SANDEEP BAKHSHI	— (Nominee of ICICI)
SHRI P.C. GUPTA	— (Nominee of UTI)
SHRI R.C. BARAR	
DR. JAGDISH CHANDER BAKSHI	
SHRI PRAFULL ANUBHAI	
DR. TRILOKI NATH KAPOOR	
SHRI SACHIT JAIN	
SHRI DARSHAN LAL SHARMA	— President & Executive Director

VICE-PRESIDENT (COMMERCIAL):

SHRI A.K. BHUCHAR

COMPANY SECRETARY:

SHRI VIPIN GUPTA

BANKERS :

STATE BANK OF PATIALA
PUNJAB NATIONAL BANK
UNION BANK OF INDIA
STATE BANK OF INDIA
BANK OF AMERICA
BANK OF BARODA
ALLAHABAD BANK
DEUTSCHE BANK
BANQUE NATIONALE DE PARIS

AUDITORS:

M/s S.C. VASUDEVA & CO., NEW DELHI.

BRANCH AUDITORS:

M/s S.S. KOTHARI & CO., NEW DELHI.

REGISTERED OFFICE:

CHANDIGARH ROAD, LUDHIANA-141 011.

WORKS:

MAHAVIR SPINNING MILLS LIMITED
PHAGWARA ROAD, HOSHIARPUR-146 001.

ARIHANT SPINNING MILLS
INDUSTRIAL AREA, MALERKOTLA-148 023.

ANANT SPINNING MILLS
NEW INDUSTRIAL AREA, MANDIDEEP-462 046.

VARDHMAN SPECIAL STEELS
C-58, FOCAL POINT, LUDHIANA-141 010.

VARDHMAN SPECIAL STEELS
PLOT NO. 263-64, SECTOR-24, FARIDABAD-121 005.

BRANCHES:

30 & 33, SHRI KRISHNA CENTRE, MITHAKHALI
SIX ROAD, NAVRANG PURA, AHMEDABAD-380 009.

2 & 2/1, A.M.M. TOWERS, HOSUR ROAD,
BANGALORE-560 027.

48, KFC BUILDING, CHURCH STREET, BANGALORE.

P-22, 3RD FLOOR, C.I.T. ROAD, CALCUTTA-700 014.

6, TILJALA ROAD, POST BOX NO. 296,
CALCUTTA-700 046.

S.C.O.1,2 & 3, SECTOR-17B, CHANDIGARH-160 017.

184, BROADWAY, CHENNAI-600 108.

11, C.P. MUDALI STREET, PUDUPET, CHENNAI-600 002.

36/2303, D & K, AMMANKOVIL ROAD,
ERNAKULAM (COCHIN)-682 035.

PLOT NO. 271, SECTOR-24, FARIDABAD-121 005.

217, LOHA MANDI, BULANDSHAHAR ROAD, GHAZIABAD.

3-6-270/2, HIMAYAT NAGAR, OPP. TELUGU ACADEMY,
HYDERABAD-580 029.

PIPELYA RAO, PLOT NO.23, MANGAL NAGAR, A.B. ROAD,
INDORE-452 001.

B-23, DELIGHT HOUSE, GOVIND MARG,
ADARSH NAGAR, JAIPUR-302 004.

15/200-C, CIVIL LINES, KANPUR-208 001.

KARNAL AGRICULTURAL STEEL INDUSTRIES,
INDRI ROAD, KARNAL.

CHANDIGARH ROAD, LUDHIANA-141 011.

SOLARIS-II, UNIVERSAL INDUSTRIAL ESTATE,
GALA NUMBER G-7 TO G-14 & B-12 TO B-14,
SAKI VIHAR ROAD, ANDHERI (EAST),
MUMBAI-400 072.

64A, NARIMAN BHAWAN 227, BACKBAY RECLAMATION,
NARIMAN POINT, MUMBAI-400 021.

4/6, DESH BANDHU GUPTA ROAD, PAHAR GANJ,
NEW DELHI-110 055.

212, DEEN DAYAL UPADHYAYA MARG,
URDU GHAR, 1ST FLOOR, NEW DELHI- 110 002.

PLOT NO.134, TRANSPORT NAGAR, PUNJABI BAGH,
NEW DELHI- 110 035.

201, SURYA KIRAN BUILDING,
19, KASTURBA GANDHI MARG, NEW DELHI- 110 001.

B-21, SECTOR-9, NOIDA-201 301.

MEZZANINE FLOOR, ABHISHEK PLAZA,
EXHIBITION ROAD, PATNA-800 001.

266, KAMRAJ ROAD, TIRUPUR-638 604.

272, SAK COMPLEX, KAMRAJ ROAD,
TIRUPUR-638 604.



Mahavir Spinning Mills Ltd.

NOTICE

NOTICE is hereby given that the TWENTY FIFTH ANNUAL GENERAL MEETING of the Members of the Company will be held on Friday, the 14th day of August, 1998 at 4.00 P.M. at the Registered Office of the Company at Chandigarh Road, Ludhiana, to transact the following business :-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' Report and Audited Balance Sheet as at 31st March, 1998 and Profit and Loss Account for the year ended on that date, together with Auditors' Report thereon.
2. To declare Dividend.
3. a) To appoint a Director in place of Shri S.P. Oswal, who retires by rotation in accordance with Article-108 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.
- b) To appoint a Director in place of Dr. T.N. Kapoor, who retires by rotation in accordance with Article-108 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.
4. a) To appoint Auditors for the year 1998-99 and to fix their remuneration and for that matter to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution :-

"RESOLVED THAT pursuant to the provisions of Section 224, 224A and other applicable provisions, if any, of the Companies Act, 1956, M/s. S.C. Vasudeva & Company (the retiring Auditors of the Company) be and are hereby re-appointed Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting at such remuneration and other expenses, incidental to the Audit, as may be approved and fixed by the Chairman of the Company".

- b) To appoint Branch Auditors for the year 1998-99 and to fix their remuneration and for that matter to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution :-

"RESOLVED THAT pursuant to the provisions of Section 224, 224A, 228 and other applicable provisions, if any, of the Companies Act, 1956, M/s. S.S. Kothari & Company, Chartered Accountants, New Delhi, be and are hereby re-appointed Branch Auditors for auditing the Books of Accounts maintained by Vardhman Special Steels, Ludhiana, one of the units of the Company, and to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting at such remuneration and other expenses, incidental to the Audit, as may be approved and fixed by the Chairman of the Company".

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 269, Schedule-XIII and other applicable provisions, if any, of the Companies Act, 1956 the approval of the Members be and is hereby given to the re-appointment of Shri D.L. Sharma as President & Executive Director of the Company for a period of 5 years w.e.f. 1st October, 1998 on the following terms and conditions :-

- i) SALARY – Salary will be in the scale of Rs. 45,000-3,000-57,000 per month.
- ii) COMMISSION – Commission equal to 75% of annual salary subject to total remuneration being within the limit of 5% of net profits of the Company.
- iii) PERQUISITES – The perquisites shall be allowed in addition to salary and commission. However, such perquisites shall be restricted to an amount equal to one year's salary as per details given below :-
 - a) Housing – Free residential accommodation or House Rent Allowance equal to 40% of the basic salary. Free furnishing is to be provided



Mahavir Spinning Mills Ltd.

- by the Company along with other amenities. The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income-Tax Rules, 1962.
- for official work as well as for personal purposes along with Driver.
- Explanation – "Family" means the spouse, the dependent children and dependant parents of the appointee.
- b) Medical Reimbursement – Expenses incurred by the appointee (including Medi-claim insurance premium) on self and his family will be subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
- c) Leave Travel Concession – The expenses incurred on Leave Travel by the appointee on self and his family shall be reimbursed once in a year in accordance with the rules specified by the Company.
- d) Club Fee – Fee of clubs subject to a maximum of two clubs. This will not include admission and life membership fee.
- e) Personal Accident Insurance – Premium not to exceed Rs. 5,000/- per annum.
- f) Provident Fund – Contribution to provident fund, superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income-Tax Act, 1961.
- g) Gratuity – Gratuity payable shall not exceed half month's salary for each completed year of service. This will, however, be subject to ceiling prescribed by the Central Government from time to time.
- h) Car – Free use of Company's car
- RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to vary/alter at any time the remuneration, terms and conditions of the said appointment in such manner as may be approved by the Board of Directors of the Company and are acceptable to Shri D.L. Sharma.
- RESOLVED FURTHER THAT Shri S.P. Oswal, Chairman, be and is hereby authorised to sign the agreement on behalf of the Company with Shri D.L. Sharma in this regard".
6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-
- "RESOLVED THAT in supersession of the resolution passed by the Members at the 24th Annual General Meeting of the Company held on 26th July, 1997 and in accordance with Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby granted to the Board of Directors to mortgage and/or charge, in addition to the mortgages/charges created/to be created by the Company, in such form and manner and with such ranking and on such terms as the Board may determine, all or any of the movable and/or immovable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company together with the power to take over the management of the business and concern of the Company in certain events of default in favour of the Trustees/Agents of Debentureholders of Secured Redeemable Non-Convertible Debentures for an aggregate value of Rs. 50 crore (25-15% and 25-14% Secured Redeemable Non-Convertible Debentures of Rs.1.00 crore each both aggregating to Rs. 50 crore) issued on private placement basis, together with interest, additional interest, compound interest, accumulated interest, remuneration of the Trustees, premium, if any, on redemption or other costs, charges and expenses payable by the Company in terms of the Trust Deed/other



Mahavir Spinning Mills Ltd.

documents to be finalised and executed between the Company and the Trustees/Agents and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the Trustees/Agents.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board/Committee be and is hereby authorised to finalise, settle and execute such documents/deeds/agreements/papers as may be required and to do all such acts, deeds and things as may be required or considered necessary or incidental thereto".

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED THAT the consent of the Company be and is hereby granted in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors to mortgage and/or charge, in addition to the mortgages/charges created/to be created by the Company, in such form and manner and with such ranking and on such terms as the Board may determine, all or any of the movable and/or immovable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company together with the power to take over the management of the business and concern of the Company in certain events of default in favour of the Trustees/Agents of 25-14% Debentureholders of Secured Redeemable Non-Convertible Debentures for an aggregate value of Rs. 25 crore to be issued/allotted on private placement basis, together with interest, additional interest, compound interest, accumulated interest, remuneration of the Trustees, premium, if any, on redemption or other costs, charges and expenses payable by the Company in terms of the Trust Deed/other documents to be finalised and executed between the Company and the Trustees/Agents and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the Trustees/Agents.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board/Committee

tee be and is hereby authorised to finalise, settle and execute such documents/deeds/agreements/papers as may be required and to do all such acts, deeds and things as may be required or considered necessary or incidental thereto".

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:-

"RESOLVED THAT subject to all applicable provisions of the Companies Act, 1956 (including any statutory modifications(s) or any re-enactment thereof and any Ordinance promulgated in this regard for the time being in force and as may be enacted/promulgated from time to time) and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board"), the consent of the Company be and is hereby accorded to the Board to buy back, from the existing holders of Equity Shares on a proportionate basis and/or from the open market, Equity Shares of the Company, out of its free reserves or out of the Share premium account of the Company or out of the proceeds of any issue made by the Company specifically for the purpose, or from such other sources as may be permitted by law, on such terms, conditions and in such manner as may be prescribed by law from time to time; provided that the aggregated of the Equity Shares so bought back shall not exceed 10% of the Equity Shares of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and things and deal with all such matters and take all such steps in this regard as it may, in its absolute discretion, deem necessary, fit or proper".

BY ORDER OF THE BOARD

PLACE : LUDHIANA
DATED : 25.06.1998

(VIPIN GUPTA)
COMPANY SECRETARY



MAHAVIR SPINNING MILLS LIMITED
REGD. OFFICE : CHANDIGARH ROAD,
LUDHIANA - 141 011

Dear Member,

SUB: NOTICE OF POSTPONEMENT OF 25TH ANNUAL GENERAL MEETING

This is to inform you that the Annual General Meeting of the Company was inadvertently fixed for 14th August, 1998 which is a Public Holiday in Punjab under the Negotiable Instruments Act, 1881 and for that reason, the Annual General Meeting of the Company is now postponed to a later date i.e. on 5th September, 1998.

The revised notice of the 25th Annual General Meeting of the Company alongwith agenda is being sent herewith.

However, Directors' Report, Auditors' Report, Balance Sheet, Profit & Loss Account together with all the Statutory Annexures required under the Companies Act, 1956, as have already been despatched to all the Members, will remain the same. You are requested to make the necessary changes accordingly in the Attendance Slip and Proxy Form already sent to you alongwith the Annual Report.

Please note that the Book Closure dates earlier announced by the Company i.e. 16th July, 1998 to 14th August, 1998 (both days inclusive) will remain unchanged.

Members are requested to take note of the change of the date of 25th Annual General Meeting of the Company.

BY ORDER OF THE BOARD

PLACE : LUDHIANA
DATED : 24.07.1998

(VIPIN GUPTA)
COMPANY SECRETARY



Mahavir Spinning Mills Ltd.

NOTICE

NOTICE is hereby given that the TWENTY FIFTH ANNUAL GENERAL MEETING of the Members of the Company will be held on Saturday, the 5th day of September, 1998 at 4.00 P.M. at the Registered Office of the Company at Chandigarh Road, Ludhiana, to transact the following business :-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' Report and Audited Balance Sheet as at 31st March, 1998 and Profit and Loss Account for the year ended on that date, together with Auditors' Report thereon.
2. To declare Dividend.
3. a) To appoint a Director in place of Shri S.P. Oswal, who retires by rotation in accordance with Article-108 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.
- b) To appoint a Director in place of Dr. T.N. Kapoor, who retires by rotation in accordance with Article-108 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.
4. a) To appoint Auditors for the year 1998-99 and to fix their remuneration and for that matter to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution :-

"RESOLVED THAT pursuant to the provisions of Section 224, 224A and other applicable provisions, if any, of the Companies Act, 1956, M/s. S.C. Vasudeva & Company (the retiring Auditors of the Company) be and are hereby re-appointed Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting at such remuneration and other expenses, incidental to the Audit, as may be approved and fixed by the Chairman of the Company".

- b) To appoint Branch Auditors for the year 1998-99 and to fix their remuneration and for that matter to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution :-

"RESOLVED THAT pursuant to the provisions of Section 224, 224A, 228 and other applicable provisions, if any, of the Companies Act, 1956, M/s. S.S. Kothari & Company, Chartered Accountants, New Delhi, be and are hereby re-appointed Branch Auditors for auditing the Books of Accounts maintained by Vardhman Special Steels, Ludhiana, one of the units of the Company, and to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting at such remuneration and other expenses, incidental to the Audit, as may be approved and fixed by the Chairman of the Company".

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 269, Schedule-XIII and other applicable provisions, if any, of the Companies Act, 1956 the approval of the Members be and is hereby given to the re-appointment of Shri D.L. Sharma as President & Executive Director of the Company for a period of 5 years w.e.f. 1st October, 1998 on the following terms and conditions :-

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- ii) COMMISSION – Commission equal to 75% of annual salary subject to total remuneration being within the limit of 5% of net profits of the Company.
- iii) PERQUISITES – The perquisites shall be allowed in addition to salary and commission. However, such perquisites shall be restricted to an amount equal to one year's salary as per details given below :-
 - a) Housing – Free residential accommodation or House Rent Allowance equal to 40% of the basic salary. Free furnishing is to be provided



Mahavir Spinning Mills Ltd.

	by the Company alongwith other amenities. The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income-Tax Rules, 1962.	for official work as well as for personal purposes alongwith Driver.
b) Medical Reimbursement	Expenses incurred by the appointee (including Medi-claim insurance premium) on self and his family will be subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.	Explanation – "Family" means the spouse, the dependent children and dependant parents of the appointee.
c) Leave Travel Concession	The expenses incurred on Leave Travel by the appointee on self and his family shall be reimbursed once in a year in accordance with the rules specified by the Company.	RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to vary/alter at any time the remuneration, terms and conditions of the said appointment in such manner as may be approved by the Board of Directors of the Company and are acceptable to Shri D.L. Sharma.
d) Club Fee	Fee of clubs subject to a maximum of two clubs. This will not include admission and life membership fee.	RESOLVED FURTHER THAT Shri S.P. Oswal, Chairman, be and is hereby authorised to sign the agreement on behalf of the Company with Shri D.L. Sharma in this regard".
e) Personal Accident Insurance	Premium not to exceed Rs. 5,000/- per annum.	6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-
f) Provident Fund	Contribution to provident fund, superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income-Tax Act, 1961.	"RESOLVED THAT in supersession of the resolution passed by the Members at the 24th Annual General Meeting of the Company held on 26th July, 1997 and in accordance with Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby granted to the Board of Directors to mortgage and/or charge, in addition to the mortgages/charges created/to be created by the Company, in such form and manner and with such ranking and on such terms as the Board may determine, all or any of the movable and/or immovable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company together with the power to take over the management of the business and concern of the Company in certain events of default in favour of the Trustees/Agents of Debenture holders of Secured Redeemable Non-Convertible Debentures for an aggregate value of Rs. 50 crore (25-15% and 25-14% Secured Redeemable Non-Convertible Debentures of Rs.1.00 crore each both aggregating to Rs. 50 crore) issued on private placement basis, together with interest, additional interest, compound interest, accumulated interest, remuneration of the Trustees, premium, if any, on redemption or other costs, charges and expenses payable by the Company in terms of the Trust Deed/other
g) Gratuity	Gratuity payable shall not exceed half month's salary for each completed year of service. This will, however, be subject to ceiling prescribed by the Central Government from time to time.	
h) Car	Free use of Company's car	



Mahavir Spinning Mills Ltd.

documents to be finalised and executed between the Company and the Trustees/Agents and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the Trustees/Agents.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board/Committee be and is hereby authorised to finalise, settle and execute such documents/deeds/agreements/papers as may be required and to do all such acts, deeds and things as may be required or considered necessary or incidental thereto".

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED THAT the consent of the Company be and is hereby granted in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors to mortgage and/or charge, in addition to the mortgages/charges created/to be created by the Company, in such form and manner and with such ranking and on such terms as the Board may determine, all or any of the movable and/or immovable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company together with the power to take over the management of the business and concern of the Company in certain events of default in favour of the Trustees/Agents of 25-14% Debentureholders of Secured Redeemable Non-Convertible Debentures for an aggregate value of Rs. 25 crore to be issued/allotted on private placement basis, together with interest, additional interest, compound interest, accumulated interest, remuneration of the Trustees, premium, if any, on redemption or other costs, charges and expenses payable by the Company in terms of the Trust Deed/ other documents to be finalised and executed between the Company and the Trustees/Agents and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the Trustees/Agents.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board/Commit-

tee be and is hereby authorised to finalise, settle and execute such documents/deeds/agreements/papers as may be required and to do all such acts, deeds and things as may be required or considered necessary or incidental thereto".

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:-

"RESOLVED THAT subject to all applicable provisions of the Companies Act, 1956 (including any statutory modifications(s) or any re-enactment thereof and any Ordinance promulgated in this regard for the time being in force and as may be enacted/promulgated from time to time) and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board"), the consent of the Company be and is hereby accorded to the Board to buy back, from the existing holders of Equity Shares on a proportionate basis and/or from the open market, Equity Shares of the Company, out of its free reserves or out of the Share premium account of the Company or out of the proceeds of any issue made by the Company specifically for the purpose, or from such other sources as may be permitted by law, on such terms, conditions and in such manner as may be prescribed by law from time to time; provided that the aggregated of the Equity Shares so bought back shall not exceed 10% of the Equity Shares of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and things and deal with all such matters and take all such steps in this regard as it may, in its absolute discretion, deem necessary, fit or proper".

BY ORDER OF THE BOARD

PLACE : LUDHIANA
DATED : 24.07.1998

(VIPIN GUPTA)
COMPANY SECRETARY