

DABUR INDIA LIMITED

Annual Report 1998-99

Report Junction.com

LEARNING TO BUILD

Breakthrough herbal drug for hepato-protection

Our Corporate Bureau
New Delhi, May 6

Dabur Research Foundation has developed a new medicine for liver ailments. In collaboration with King George Medical College, Lucknow, the formulation is a combination of 11 unique herbs known for their properties of strengthening the liver. The foundation finalised the formulation after seven years of collaborative research. The new formulation, in the recent clinical trials showed action against hepatitis B and E virus. The team of researchers led by Dr. D.B. Anant Narayan is doing further clinical trials to confirm its efficacy against

these viruses. In a double blind clinical trial at Lucknow, the drugs success rate was around 70 per cent. According to Dabur sources, the recovery rate from the liver problem is very rapid irrespective of the source of diseases i.e. virus, drug or induced by alcohol. New Livit - the new drug - has been developed in the form of syrup, drops and tablets. The product has already been registered in some countries in Europe and Malaysia. Dabur has also filed application for international patent protection and has obtained patent protection in Europe. The company has filed patent application in India. Dabur has set a retail price of Re one per tablet for this drug. Dabur research Foundation is one of the premier research organisations of India. The foundation is involved in research in the field of herbal medicines, phyto-pharmaceuticals, personal care products and foods. The foundation developed a eco-friendly process of isolating paeonol and its intermediary from the leaves of Aegle Yaw tree. It has

Dabur moves to Professional Management

Our Corporate Bureau
New Delhi 5, October

The Rs 80 crore Dabur India Ltd has appointed its first professional CEO and inducted senior professionals from outside into its top management team as part of its restructuring exercise. Mr. Niru Khanna, who is currently executive vice president, Colgate Palmolive, will take over as the CEO of the company next month. Mr. Khanna will take up the day to day responsibilities of running the company and all functional and business heads of the company will report to him. The appointment of a CEO is significant as it signals the beginning of the withdrawal of the promoters - the Burman family - from the day to day management of the company, although Mr. G.C. Burman and Mr.

Dabur sets up unit in Britain

Press Trust of India
New Delhi

The Rs 91 crore Dabur India Ltd has set up a subsidiary in Britain with a view to venturing into the

herbal products market in the UK. The new unit will be set up in London and will be headed by a senior Dabur official. The unit will be responsible for the day to day management of the company's

Dabur

**DABUR INDIA LIMITED****NOTICE**

Notice is hereby given that the 24th Annual General Meeting of the Members of Dabur India Limited will be held on Thursday, 9th September, 1999 at Air Force Auditorium, Subroto Park, New Delhi - 110 010 at 11.00 AM to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 1999 and Profit & Loss Account for the year ended on that date alongwith the Reports of the Auditors and Directors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr Ashok Goenka who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr Uday S Kotak who retires by rotation and being eligible offers himself for reappointment.
5. To appoint a Director in place of Raja Vijay Karan who retires by rotation and being eligible offers himself for reappointment.
6. To appoint a Director in place of Dr Anand Burman who retires by rotation and being eligible offers himself for reappointment.
7. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

8. 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 Sections 198, 269, 309, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 the Company hereby approves the appointment of Mr Ninu Khanna as a Director and also as a Wholtime Director of the Company for a period from 29th January, 1999 to 1st November, 2003 on such remuneration and terms & conditions as set out in the explanatory statement attached to this Notice."

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

"RESOLVED THAT pursuant to provisions of Section 198, 269, 309 & 314 and all other applicable provisions, if any, of the Companies Act, 1956, provisions of Schedule XIII to the Companies Act, 1956 and also subject to the approval of Reserve Bank of India and other Government Authorities, if any, the approval of Company be and is hereby accorded for re-location of Dr. Anand Burman, Dy. Managing Director to London Office w.e.f. 1st February, 1999 for the remaining tenure of his appointment i.e. upto 12.10.2001 on a remuneration of UK Pound Sterling 1,25,000/- per annum and other terms & conditions as set out in the explanatory statement attached to this Notice."

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

"RESOLVED THAT pursuant to provisions of Section 314 and all other applicable provisions, if any, of the Companies Act, 1956 and subject to approval of the Central Government, consent of the Company be and is hereby accorded for elevation of Mr Amit Burman, son of Mr G C Burman, Vice Chairman & Managing Director of the Company, as General Manager - Operations of the Company w.e.f. 1st April, 1999 on the remuneration and terms & conditions as set out in the explanatory statement attached to this Notice."

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

"RESOLVED THAT pursuant to provisions of Section 314 and all other applicable provisions, if any, of the Companies Act, 1956 and subject to approval of the Central Government, consent of the Company be and is hereby accorded for elevation of Mr Mohit Burman, son of Mr V C Burman, Chairman of the Company, as General Manager - Marketing of the Company w.e.f. 1st April, 1999 on the remuneration and terms & conditions as set out in the explanatory statement attached to this Notice."

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

"RESOLVED THAT pursuant to provisions of Section 314 and all other applicable provisions, if any, of the Companies Act, 1956 and subject to approval of the Central Government, consent of the Company be and is

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hereby accorded for elevation of Mr Chetan Burman, son of Mr Pradip Burman, Director of the Company, as Dy.General Manager - Marketing of the Company w.e.f. 1st April, 1999 on the remuneration and terms & conditions as set out in the explanatory statement attached to this Notice."

13. 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 81 and all other applicable provisions of the Companies Act, 1956, the Articles of Association of the Company as amended from time to time and the Securities & Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and such other approvals, consents and permissions of the appropriate authorities as may be required and subject further to such conditions & modifications as may be prescribed in granting such approvals, consents and permissions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the 'Board') which shall include a Committee of Directors, the Consent of the Company be and is hereby accorded to the Board to issue, offer for subscription and allot Equity Shares of the aggregate nominal face value not exceeding Rs.19,10,500/- (Rupees Nineteen Lacs Ten Thousand Five Hundred only) to the present and future employees/directors of the Company excluding the promoter directors, under the Dabur Employees Stock Purchase Scheme on the terms and conditions as set out in the said Scheme."

"RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of equity shares as described above under Employee Stock Purchase Scheme, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, things and matters as it may, in its absolute discretion, deem necessary or desirable for such purpose and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such issue(s) or allotment(s) (including to amend or modify any of the terms of such issue or allotment), without being required to seek any further consent or approval of the members, as it may, in its absolute discretion, deem fit."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Whole-time Directors of the Company."

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

"RESOLVED THAT pursuant to provisions of Section 17 and other applicable provisions, if any, of the Companies Act, 1956, and subject to such approvals, permissions and sanctions, as may be necessary from the appropriate authorities or bodies and subject to such conditions as may be prescribed by them while granting such approvals, permissions and sanctions, the Other Objects in the Objects Clause of the Memorandum of Association of the Company be and is hereby altered by inserting the following sub-clauses as new sub-clauses 11 and 12 immediately after the existing sub-clause 10:-

11. To manufacture, prepare, process, repair, buy & sell, resell, export, import and marketing of all kinds of packaging articles made of plastics including high density polythylene, polyprothelene, low density polythylene and other types of plastic packaging goods and products, synthetic resins and compounds ancillary and auxiliary materials and derivatives, intermediates and compositions related thereto.
12. To manufacture, process, import, export, market, trade and distribute all kinds of food products, fruit pulp, fruit juice, vegetables, canned and tinned processed foods, instant food of all kinds including beverages, tonics, aerated mineral water, ice creams, other milk products and consumable provision of every description for human or animal consumption.

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

"RESOLVED THAT on the special resolution at Item No.14 for alteration of Other Objects of the Objects Clause of the Memorandum of Association being duly passed and becoming effective, the approval of the members of the Company be and is hereby accorded pursuant to the provisions of Section 149 (2A) and other applicable provisions, if any, of the Companies Act, 1956, for commencing and carrying on all or any of the business and activities specified under Other Objects of the Objects Clause of the Memorandum of Association of the Company including the newly incorporated sub-clauses 11 and 12, at such time as may be deemed fit by the Board of Directors."

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

"RESOLVED THAT pursuant to provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered in the following manner:-



- (i) *The following new Articles with marginal notes as indicated be inserted as Article 47A and 47B after the existing Article 47:-*

47A. Nomination

1. Every shareholder or debentureholder of the Company, may at any time, nominate, in the prescribed manner, a person to whom his share in, or debentures of the Company shall vest in the event of his death.
2. Where the shares in, or debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company, as the case may be, shall vest in the event of death of all the joint holders
3. Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares in or debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall, on the death of the shareholder or debentureholder, or as the case may be, on the death of the joint holders, become entitled to all the rights in such shares or debentures or, as the case may be, all the joint holders, in relation to such shares or debentures, to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.
4. Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint, in the prescribed manner, any person to become entitled to shares in or debentures of the Company, in the event of his death, during the minority.

47B. Transmission of securities by nominee

A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either:-

- i) to be registered himself as holder of the share or debenture, as the case may be; or
- ii) to make such transfer of the share or debenture, as the case may be, as the deceased shareholder or debentureholder, could have made;
- iii) if the nominee elects to be registered as holder of the share or debenture himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debentureholder as the case may be;
- iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the share or debenture except that he shall not, before being registered as a member in respect of his share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the shares or debentures, until the requirements of the notice have been complied with.

- (ii) *The following new Article 88A with marginal notes as indicated be inserted after the existing Article 88:-*

88A. Dematerialisation of Securities

For the purposes of this Article, unless the context otherwise requires:

A. Definitions:

Beneficial Owner: 'Beneficial Owner' means the beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996;

Bye-laws: 'Bye-laws' mean bye-laws made by a Depository under Section 26 of the Depositories Act, 1996;

Depositories Act: 'Depositories Act' means the Depositories Act, 1996, and any statutory modification or re-enactment thereof for the time being in force;

Depository: 'Depository' means a company formed and registered under Companies Act, 1956 (1 of 1956) ('the Act') and which has been granted a certificate of registration under sub section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992);

Record: 'Record' includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations made by SEBI;

Regulations: 'Regulations' means the regulations made by SEBI;

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SEBI: 'SEBI' means the Securities and Exchange Board of India;

Security: 'Security' means such security as may be specified by SEBI from time to time;

Shareholder or member: 'Shareholder' or 'member' means the duly registered holder, from time to time of the shares of the Company and includes the subscribers to the Memorandum of Association of the Company and also every person holding Equity Shares and/or Preference Shares of the Company as also one whose name is entered as a beneficial owner of the shares in the records of a Depository;

B. Dematerialisation of Securities:

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise or rematerialise its shares, debentures and other securities (both existing and future) held by it with the Depository and to offer its shares, debentures and other securities for subscription in a dematerialised form pursuant to the Depositories Act, 1996 and the Rules framed thereunder, if any;

C. Option for Investors:

Every person subscribing to securities offered by the Company shall have the option to receive the security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue the beneficial owner the required certificates of securities.

Where a person opts to hold his security with a Depository, and on receipt of such information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the security;

D. Securities in Depositories to be in fungible form:

All securities held by a Depository shall be dematerialised and shall be in a fungible form. Nothing contained in Sections 153, 153A, 153B, 187A, 187B, 187C and 372A of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

E. Rights of Depositories and Beneficial Owners:

- i) Notwithstanding anything to the contrary in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner;
- ii) Save as otherwise provided in (i) above, the Depository as a registered owner of the securities shall not have any voting rights or any other right in respect of the securities held by it;
- iii) Every person holding securities of the Company and whose name is entered as a beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities held by a Depository.

F. Depository to furnish information:

Notwithstanding anything to the contrary contained in the Act or these Articles, where the securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies and discs.

G. Option to opt out in respect of any security:

If a beneficial owner seeks to opt out of a Depository in respect of any security, the beneficial owner shall inform the Depository accordingly. The Depository shall, on receipt of the intimation as above, make appropriate entries in its record and shall inform the Company accordingly.

The Company shall within 30 (thirty) days of the receipt of intimation from the Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.

H. Sections 83 and 108 of the Act not to apply;

Notwithstanding anything to the contrary contained in the Articles-

- i. Section 83 of the Act shall not apply to the shares with a Depository;
- ii. Section 108 of the Act shall not apply to transfer of security effected by the transferor and the transferee both of whom are entered as beneficial owner in the records of a Depository.

I. Register and Index of Beneficial Owners:

The Register and Index of Beneficial Owners, maintained by a Depository under Section 11 of the Depositories



Act shall be deemed to be the Register and Index of Members and Security holders as the case may be for the purposes of these Articles.

J. Intimation to Depository:

Notwithstanding anything contained in the Act or these Articles, where securities are dealt with in a Depository, the Company shall intimate the details of allotment of securities thereof to the depository immediately on allotment of such securities.

K. Stamp duty on securities held in dematerialised form:

No stamp duty would be payable on shares and securities held in dematerialised form in any medium as may be permitted by law including any form of electronic medium.

L. Applicability of the Depositories Act:

In case of transfer of shares, debentures and other marketable securities, where the Company has not issued any certificate and where such shares, debentures or securities are being held in an electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.

M. Company to recognise the rights of Registered Holders as also the Beneficial Owners in the records of the Depository:

Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share, as also the Beneficial Owner of the shares in records of the Depository as the absolute owner thereof as regards receipt of dividends or bonus or service of notices and all or any other matters connected with the Company, and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof."

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

"RESOLVED THAT subject to the provisions of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted hereinafter) and subject to such approvals, permissions and sanctions of Securities & Exchange Board of India/Stock Exchange(s), 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", which shall include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution), consent of the Company be and is hereby accorded to the Board to delist its Equity Share from The Uttar Pradesh Stock Exchange Assn. Ltd., The Calcutta Stock Exchange Association Ltd., The Ludhiana Stock Exchange Association Ltd., Magadh Stock Exchange Association, Bangalore Stock Exchange Ltd., The Jaipur Stock Exchange Ltd. and The Stock Exchange, Ahmedabad."

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

"RESOLVED THAT pursuant to Section 293(1)(a) of the Companies Act 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to sell, dispose, transfer, assign the immovable property relating to factory situated at Plot No.7, Noida Export Processing Zone, Noida (UP) together with buildings, assets, attachments and other structure(s) standing thereon for a price or consideration and also on the terms and conditions and other stipulations as may be agreed between the Board of Directors of the Company and the purchaser."

"RESOLVER FURTHER THAT the Board of Directors be and are hereby authorised and empowered to enter into and sign, seal, execute and deliver such agreements, assignments, conveyances, contracts, deeds, writings, things and other documents and to do all other such acts, deeds and things in the name and on behalf of the Company as the Board may consider expedient, usual, necessary or proper for the said sale/disposal and effectuating the transfer of the said immovable property relating to factory including buildings and structures thereon."

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

"RESOLVED THAT M/s Bansal & Company, Chartered Accountants, New Delhi be and are hereby reappointed as Branch Auditors of the Company to hold office until the conclusion of next Annual General Meeting of the Company to audit the books of accounts relating to its Alwar Division for the financial year 1999-2000 on such remuneration as may be determined by the Board of Directors."

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

"RESOLVED THAT M/s Waring & Partners, Chartered Accountants, Ropar Yard, Ropar Road, Canterbury, Kent CT2 7EX, United Kingdom be and are hereby reappointed as Branch Auditors of the Company to hold office until the conclusion of next Annual General Meeting of the Company to carry out the audit of the accounts of London Branch of the Company for the financial year 1999-2000 on such remuneration as may be determined by the Board of Directors."

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

"RESOLVED THAT M/s B D O Patel & Co., Chartered Accountants, Post Box No.1961, DUBAI (UAE) be and are hereby reappointed as Branch Auditors of the Company to hold office until the conclusion of next Annual General Meeting of the Company to carry out the audit of the accounts of Jebel Ali Branch of the Company for the financial year 1999-2000 on such remuneration as may be determined by the Board of Directors."

By Order of the Board
for DABUR INDIA LIMITED

Regd.Office: 8/3, Asaf Ali Road,
New Delhi - 110 002
26th July, 1999

(S RAVI AIYAR)
COMPANY SECRETARY

NOTES

- The relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item no.8 to 21 of the notice set out above is annexed herewith.
- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED HEREWITH AND, IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE COMMENCEMENT OF 24TH ANNUAL GENERAL MEETING.**
- The Share Transfer Books and Register of Members will remain closed from Tuesday the 17th August, 1999 to Thursday, the 9th September, 1999 (both days inclusive) for the purpose of payment of Dividend.
- The payment of dividend as recommended by the Directors, if approved at the meeting, will be made on or before 20th October, 1999 subject to the provisions of Section 206A of the Companies Act, 1956 to those shareholders whose names appear:-
 - As Beneficial Owners as on 17th August, 1999 as per the list to be furnished by Depositories in respect of the shares held in electronic form, and
 - As Members in the Register of Members of the Company as on 9th September, 1999 after giving effect to all valid share transfers in physical form which are lodged with the Company/Share Transfer Agents on or before 16th August, 1999.
- The shareholders are requested to notify the change in address, if any, to the Share Transfer Agent of the Company at the following address quoting their Ledger Folio Number:-

MCS LIMITED,
UNIT - DABUR INDIA LIMITED
SRI VENKATESH BHAWAN,
212-A, SHAHPURJAT (BEHIND PANCHSHEEL CLUB),
NEW DELHI - 110 049

- The shareholders, holding shares in identical order of names in more than one folio, are requested to write to the Company enclosing their share certificates to enable the Company to consolidate their holding on one folio.
- The Shareholders/Proxies are requested to produce at the Entrance Gate the attached admission slip, duly completed and signed, for admission to the meeting hall.
- In case you have any query relating to the enclosed Annual Accounts you are requested to send the same to the Company Secretary at the Registered Office of the Company at least 10 days before the date of Annual General Meeting so as to enable the management to keep the information ready.



9. In accordance with the provisions of the Companies Act, 1956 the unclaimed amount of dividend for and upto the financial year ended 31st March, 1995 has already been transferred to General Revenue Account of the Central Government. Members who have not encashed dividend warrants for the said period may submit their claim in the prescribed form to office of the Registrar of Companies, NCT of Delhi & Haryana, CGO Complex, Paryawaran Bhawan, Lodhi Road, New Delhi - 110 003 by quoting their folio number and Company's registration number 55-07908. In case any assistance is required please write to the Company.
10. As a measure of economy, copies of Annual Reports will not be distributed at the venue of the Annual General Meeting. Members are, therefore, requested to bring their own copies of the Annual Reports to the meeting.
11. All the documents referred to in the accompanying notice and explanatory statement are open for inspection at the registered office of the Company on all working days between 11.30 AM to 1.30 PM upto the date of Annual General Meeting.
12. As per the provisions of the amended Companies Act, 1956, facility for making nominations is now available for shareholders and fixed deposit holders in respect of the shares and deposits held by them. Nomination Forms can be obtained from the Company's Registrars and Share Transfer Agents - MCS Limited.
13. While opening a depository account with participants of National Securities Depository Limited, you may have given your bank account details, which will be used by the Company for printing on dividend warrants. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the account specified on the dividend warrant. This ensures safety for shareholders. However, you may want to receive dividend in an account other than the one specified, while opening the depository account. If so, you may change/correct bank account details with your depository participant. The shareholders are also requested to provide MICR code of their bank to the depository participant.
14. **Photocopies of Attendance Slip will not be entertained for issuing Gate Pass for attending Annual General Meeting. However, in case of non-receipt of Notice of Annual General Meeting, members are requested to write to the Company at its registered office for issuing the duplicate of the same.**

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

Item No. 8 The Board of Directors of the Company in its meeting held on 29th January, 1999, subject to approval of members and pursuant to all applicable provisions of the Companies Act, 1956, appointed Mr Ninu Khanna as Additional Director and also as Whole-time Director of the Company for a period from 29th January, 1999 to 1st November, 2003 on the following remuneration:-

- A. Base Salary - For the period 29.01.1999 to 31.03.1999 @ Rs.27,00,000/- per annum;
- From 01.04.1999 onwards @ Rs. 32,00,000/- per annum.
- B. Special Allowance - For the period 29.01.1999 to 31.03.1999 @ Rs.32,37,000/- per annum;
- From 01.04.1999 onwards @ Rs. 39,25,000/- per annum.
- C. Incentive as per the Business Incentive Plan announced from time to time by the Company.
- D. Perquisites

He will also be entitled to the following perquisites:-

- Company leased accommodation with servant facility.
- Hard furnishings - Rs.8,000/- per annum.
- Medical reimbursement - Rs.15,000/- per annum.
- Leave travel assistance - Rs.40,000/- per annum.
- Company maintained chauffeur driven car and telephone at residence.
- Encashment of leave as per rules of the Company.

He will also be entitled to the following retirement benefits:-

- Provident fund — 12% of Base salary
- Superannuation fund — 15% of Base salary
- Gratuity — 15 days salary for each completed year of service

The above remuneration payable to Mr Ninu Khanna is subject to the condition that the total remuneration including perquisites shall not exceed 5% of the net profits individually and 10% of the net profits collectively payable to all the Managing Directors/Whole Time Directors as calculated in accordance with Sections 198 and 309 of the Companies Act, 1956 or any amendment thereto or any other provisions as may be applicable.

Mr Ninu Khanna will, subject to the applicable provisions of Companies Act, 1956 be also eligible for Housing Loan or other facilities as applicable in accordance with the rules of the Company.

In the event of absence or inadequacy of profits in any financial year, Mr Ninu Khanna will be paid salary and perquisites not exceeding the limits specified under Section II of Part II of Schedule XIII of the Companies Act, 1956.

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The terms and conditions of appointment and remuneration given herein be altered and varied from time to time by the Board of Directors of the Company as it may, at its discretion deem fit, so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), or any amendments made thereto from time to time.

Due notice under Section 257 of the Companies Act, 1956 has been received from a member proposing the appointment of Mr Ninu Khanna as Director of the Company. He has also filed requisite consent pursuant to Section 264(1) of the Companies Act, 1956.

The copies of Resolutions passed by the Board of Directors in their meetings held on 29th January, 1999 and 26th July, 1999 approving the appointments of Mr Ninu Khanna as Whole time Director are available for inspection by the Members of the Company at its Registered Office between 11.30 AM to 1.30 PM on any working day.

The Board of Directors recommend the resolution for your approval.

This Explanatory Statement together with the accompanying Notice may also be regarded as an abstract and memorandum under Section 302 of the Companies Act, 1956.

None of the Directors other than Mr Ninu Khanna is concerned or interested in the resolution.

Item No. 9 The Board of Directors of the Company in its meeting held on 29th January, 1999, subject to approval of members, Reserve Bank of India and other Government Authorities as may be required and pursuant to all applicable provisions of the Companies Act, 1956, approved the re-location of Dr Anand Burman, Dy. Managing Director to London Office w.e.f. 1st February, 1999 for the remaining tenure of his appointment i.e. upto 12.10.2001 on a remuneration of UK Pound Sterling 1,25,000/- per annum excluding benefits such as Company maintained chauffeur driven car and residential telephone..

All other terms & conditions pertaining to the appointment and variation thereof of Dr Anand Burman as approved by members in the 22nd and 23rd Annual General Meetings of the Company shall remain unchanged.

In the event of absence or inadequacy of profits in any financial year, he will be paid the salary and perquisites not exceeding the limits specified under Section II of Part II of Schedule XIII of the Companies Act, 1956.

The Board of Directors recommend the resolution for your approval.

This Explanatory Statement together with the accompanying Notice may also be regarded as an abstract and memorandum under Section 302 of the Companies Act, 1956.

None of the Directors other than Dr Anand Burman and Mr A C Burman, being his father, is concerned or interested in the resolution.

Item No.10 It may be recalled that the appointment of Mr Amit Burman as Dy. General Manager - Operations was approved by the members in the 22nd Annual General Meeting of the Company held on 12th September, 1997 which subsequently was also approved by the Central Government. The Board of Directors of your Company at its meeting held on 29th January, 1999 subject to the approval of members and of Central Government, approved the elevation of Mr Amit Burman as General Manager - Operations w.e.f. 1st April, 1999 on the following revised remuneration:-

(i) Basic salary - Rs.90,000 per month; (ii) HRA - 60% of basic salary; (iii) Special Allowance - Rs.25,000 per month; (iv) Leave travel assistance - Rs.20,000/- per annum; (v) Reimbursement of medical expenses - Rs.15,000/- per annum; (vi) Coverage under Keymen Insurance Scheme of the Company; (vii) Reimbursement of hard furnishing upto Rs.1,00,000/- over a period of 5 years; (viii) Contribution to provident fund, superannuation fund and payment of gratuity as per rules of the Company in force from time to time (ix) Leave encashment as per rules of the Company and (x) Performance linked incentive as per rules of the Company.

The Board of Directors is also authorised to revise the remuneration and perquisites of Mr Amit Burman from time to time in such a manner as it may determine, and in particular, grant promotion(s) to higher grades and increments in salary, allowances, perquisites, benefits, entitlements as per rules of the Company.

The Board of Directors is further authorised to accept such modifications in the terms and conditions of the elevation of Mr Amit Burman as may be imposed by the Central Government while granting its approval.

Since, Mr Amit Burman is son of Mr G C Burman, Vice Chairman & Managing Director of the Company and his proposed remuneration is in excess of the ceiling prescribed under Section 314 of the Companies Act, 1956, the approval of members by way of Special Resolution and approval of Central Government is required.



The Board of Directors recommend the resolution for your approval.

None of the Directors of the Company except Mr G C Burman who is father of Mr Amit Burman is, in any way, concerned or interested in the resolution.

Item No.11 It may be recalled that the appointment of Mr Mohit Burman as Dy. General Manager - Sales & Marketing was approved by the members in the 22nd Annual General Meeting of the Company held on 12th September, 1997 which subsequently was also approved by the Central Government. The Board of Directors of your Company at its meeting held on 29th January, 1999 subject to the approval of members and of Central Government, approved the elevation of Mr Mohit Burman as General Manager - Marketing w.e.f. 1st April, 1999 on the following revised remuneration:-

(i) Basic salary - Rs.90,000 per month; (ii) HRA - 60% of basic salary; (iii) Special Allowance - Rs.25,000 per month; (iv) Leave travel assistance - Rs.20,000/- per annum; (v) Reimbursement of medical expenses - Rs.15,000/- per annum; (vi) Coverage under Keyman Insurance Scheme of the Company; (vii) Reimbursement of hard furnishing upto Rs.1,00,000/-over a period of 5 years; (viii) Contribution to provident fund, superannuation fund and payment of gratuity as per rules of the Company in force from time to time (ix) Leave encashment as per rules of the Company and (x) Performance linked incentive as per rules of the Company.

The Board of Directors is also authorised to revise the remuneration and perquisites of Mr Mohit Burman from time to time in such a manner as it may determine, and in particular, grant promotion(s) to higher grades and increments in salary, allowances, perquisites, benefits, entitlements as per rules of the Company.

The Board of Directors is further authorised to accept such modifications in the terms and conditions of the elevation of Mr Mohit Burman as may be imposed by the Central Government while granting its approval.

Since, Mr Mohit Burman is son of Mr V C Burman, Chairman of the Company and his proposed remuneration is in excess of the ceiling prescribed under Section 314 of the Companies Act, 1956, the approval of members by way of Special Resolution and approval of Central Government is required.

The Board of Directors recommend the resolution for your approval.

None of the Directors of the Company except Mr V C Burman who is father of Mr Mohit Burman is, in any way, concerned or interested in the resolution.

Item No.12 It may be recalled that the appointment of Mr Chetan Burman as Sr. Manager - Sales & Marketing was approved by the members in the 22nd Annual General Meeting of the Company held on 12th September, 1997 which subsequently was also approved by the Central Government. The Board of Directors of your Company at its meeting held on 29th January, 1999 subject to the approval of members and of Central Government, approved the elevation of Mr Chetan Burman as Dy.General Manager - Marketing w.e.f. 1st April, 1999 on the following revised remuneration:-

(i) Basic salary - Rs.75,000 per month; (ii) HRA - 60% of basic salary; (iii) Special Allowance - Rs.15,000 per month; (iv) Leave travel assistance - Rs.15,000/- per annum; (v) Reimbursement of medical expenses - Rs.15,000/- per annum; (vi) Coverage under Keyman Insurance Scheme of the Company; (vii) Reimbursement of hard furnishing upto Rs.75,000/-over a period of 5 years; (viii) Contribution to provident fund, superannuation fund and payment of gratuity as per rules of the Company in force from time to time (ix) Leave encashment as per rules of the Company and (x) Performance linked incentive as per rules of the Company.

The Board of Directors is also authorised to revise the remuneration and perquisites of Mr Chetan Burman from time to time in such a manner as it may determine, and in particular, grant promotion(s) to higher grades and increments in salary, allowances, perquisites, benefits, entitlements as per rules of the Company.

The Board of Directors is further authorised to accept such modifications in the terms and conditions of the elevation of Mr Chetan Burman as may be imposed by the Central Government while granting its approval.

Since, Mr Chetan Burman is son of Mr Pradip Burman, one of the Directors of the Company and his proposed remuneration is in excess of the ceiling prescribed under Section 314 of the Companies Act, 1956, the approval of members by way of Special Resolution and approval of Central Government is required.

The Board of Directors recommend the resolution for your approval.

None of the Directors of the Company except Mr Pradip Burman who is father of Mr Chetan Burman is, in any way, concerned or interested in the resolution.