



Godrej Industries Limited  
annual report 2007-2008

# INVESTING IN A BRIGHTER FUTURE

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## GODREJ INDUSTRIES LIMITED

### DIRECTORS

A.B. Godrej	<i>Chairman</i>
J.N. Godrej	
N.B. Godrej	<i>Managing Director</i>
S.A. Ahmadullah	
V.M. Crishna	
K.K. Dastur	
V.N. Gogate	
K.N. Petigara	
F.P. Sarkari	
V.F. Banaji	<i>Executive Director &amp; President (Group Corporate Affairs)</i>
T.A. Dubash	<i>Executive Director &amp; President (Marketing)</i>
M. Eipe	<i>Executive Director &amp; President (Chemicals)</i>
M.P. Pusalkar	<i>Executive Director &amp; President (Corporate Projects)</i>

### COMPANY SECRETARY

S.K. Bhatt

### AUDITORS

Kalyaniwalla & Mistry, *Chartered Accountants*

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**REGISTERED OFFICE** : Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai 400 079.  
Phone : 022-2518 8010, 2518 8020, 2518 8030  
Fax : 022-2518 8074, 2518 8066  
website : <http://www.godrejinds.com>

**FACTORIES** : Vikhroli Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai 400 079.  
Phone : 022 - 2518 8010, 2518 8020, 2518 8030  
Fax : 022 - 2518 8068/2518 8074

Valia Burjorjinagar,  
Plot No. 3, Village Kanerao,  
Taluka - Valia, District Bharuch,  
Gujarat 393 135.  
Phone : 02643 - 270756 to 270760  
Fax : 02643 - 270018

Wadala L.M. Nadkarni Marg,  
Near M.P. T. Hospital,  
Wadala (East), Mumbai 400 037.  
Phone : 022 - 2415 4816/2414 8770  
Fax : 022 - 2414 6204

**BRANCHES** : Delhi 4th Floor, Delite Theatre Building,  
4/1, Asaf Ali Road, New Delhi 110 002  
Phone : 011 - 2326 1066  
Fax : 011 - 2326 1088

Kolkata Block GN, Sector-V,  
Salt Lake City, Kolkata 700 091.  
Phone : 033 - 2357 3555

Chennai New No. 15, (Old No. 17-A),  
2nd Street, Jeevarathnam Nagar,  
Adyar,  
Chennai 600 020.  
Phone : 044 - 4266 6605  
Fax : 044 - 4266 6609

London 284A, Chase Road, Southgate,  
London N14 - 6HF., UK  
Phone : (004420) - 88860145  
Fax : (004420) - 88869424

**BANKERS** : Central Bank of India  
State Bank of India  
Bank of India  
HDFC Bank Ltd.  
Citibank N.A.  
Hong Kong and Shanghai Banking Corporation Limited  
Kotak Mahindra Bank Limited  
Barclays Bank Plc.

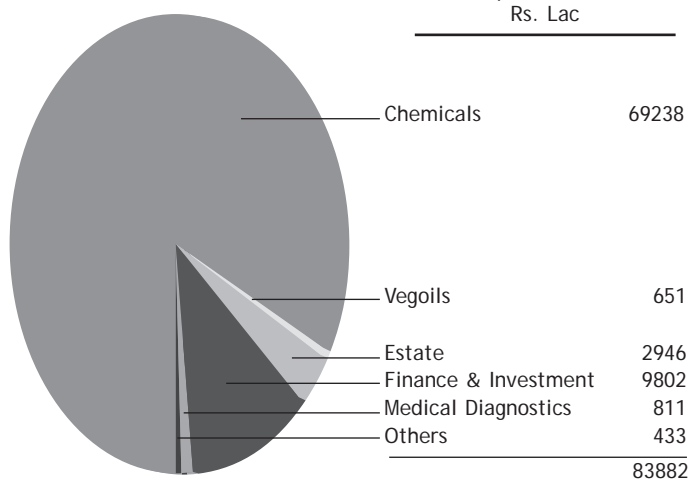
**REGISTRARS & TRANSFER AGENT** : Computech Sharecap Ltd.  
147, Mahatma Gandhi Road,  
Opp. Jehangir Art Gallery, Fort,  
Mumbai 400 001.  
Phone : 022 - 2263 5000 - 01- 02  
Fax : 022 - 2263 5003  
E-Mail : [helpdesk@computechsharecap.com](mailto:helpdesk@computechsharecap.com)

## GODREJ INDUSTRIES LIMITED - FINANCIAL HIGHLIGHTS

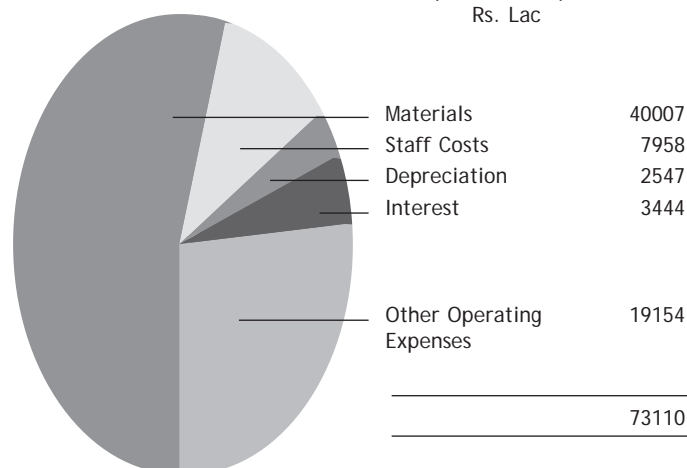
(Rs. Lac)

	2007-08	2006-07	2005-06	2004-05	2003-04
<b>BALANCE SHEET</b>					
<b>SOURCES OF FUNDS :</b>					
Shareholders' Funds					
Share Capital	3198	2919	2919	2919	2919
Reserves & Surplus	102644	38143	34216	30618	26197
Loan Funds					
Secured Loans	24948	33093	24911	22075	16814
Unsecured Loans	18619	13677	7803	3557	4235
Deferred Tax Liability	3619	3980	3818	2502	2972
	153028	91811	73667	61671	53137
<b>APPLICATION OF FUNDS :</b>					
Fixed Assets	27142	28704	28594	25100	25656
Investments	77548	48567	37135	33577	26533
Net Working Capital	47270	12937	5719	2868	739
Miscellaneous Expenditure	1068	1602	2219	126	209
	153028	91811	73667	61671	53137
<b>INCOME AND PROFIT</b>					
Total Income	83882	78291	80270	82353	73355
Expenditure other than Interest and Depreciation	67119	64078	69661	70117	64243
Profit before Interest, Depreciation and Tax	16762	14213	10609	12236	9112
Interest (net)	3444	3831	2837	2582	580
Profit before Depreciation and Tax	13319	10382	7772	9654	8532
Depreciation	2547	2426	2259	2148	2150
Profit before Tax and exceptional items	10772	7956	5513	7506	6382
Exceptional items - expense/(income)	(310)	(95)	(3106)	—	—
Provision for Current Tax	562	83	545	401	365
Net Profit after Tax	10520	7968	8479	7105	6017
Provision for Deferred Tax	(361)	162	1316	(470)	(494)
Adjustment in respect of prior years - expense/(income)	-	-	50	(2)	(57)
Net Profit after taxes and adjustments	10,881	7806	7113	7577	6568

## Total Income 2007-2008

Break-up of Total Income  
Rs. Lac

## Total Expenditure 2007-2008

Break-up of Total Expenditure  
Rs. Lac

## NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the TWENTIETH ANNUAL GENERAL MEETING of the members of GODREJ INDUSTRIES LIMITED will be held on Tuesday, July 29, 2008 at 4.30 p.m. at Y. B. Chavan Centre, Nariman Point, Mumbai - 400 021, to transact the following business:-

### ORDINARY BUSINESS:

1. To consider and adopt the Audited Profit & Loss Account and Cash Flow Statement for the year ended March 31, 2008 the Balance Sheet as at that date, the Auditors' Report thereon and the Directors' Report along with Management Discussion and Analysis Report and the Statement of Corporate Governance.
2. To declare dividend for the financial year ended March 31, 2008.
3. To appoint a Director in place of Mr. K. K. Dastur, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. V. M. Crishna, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. K. N. Petigara, who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint a Director in place of Mr. M. P. Pusalkar, who retires by rotation and being eligible offers himself for re-appointment.
7. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, and to authorise the Board of Directors of the Company to fix their remuneration. M/s. Kalyaniwalla & Mistry, Chartered Accountants, the retiring Auditors are eligible for re-appointment.

### SPECIAL BUSINESS:

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:  
Further investment in Godrej Properties Ltd. under Section 372A of the Companies Act, 1956

"RESOLVED THAT pursuant to Section 372A and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time) (hereinafter referred to as 'the Act'), and/or any other approvals, as may be required, the Company be and is hereby authorised to further invest in securities of Godrej Properties Ltd. (GPL) by subscription/purchase or otherwise and/or place intercorporate deposits with and/or make loans or any other form of debt to and/or investment in GPL, in addition to the limits already sanctioned for investments/intercorporate deposits/loans, upto a sum of Rs. 25 crore (Rupees Twenty Five Crore Only), notwithstanding that the aggregate of the loans and investments so far made in or to be made in, exceeds the limits laid down by the Act.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take from time to time all decisions and steps necessary or expedient or proper in respect of the above investment/debt including the timing, the amount and other terms and conditions of such transactions and also to take all other decisions including varying any of them through recall, renewal, transfer, sale, disinvestment or otherwise, either in part or in full, as it may, in its absolute discretion, deem appropriate, subject to the limits specified above.

RESOLVED FURTHER THAT this resolution be valid for a period from the date of approval of the Shareholders to March 31, 2011 and that during this period, the limits indicated hereinabove in case of divestment be restored to the original sanctioned limit of Rs.25 crore."

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:  
Further investment in Godrej Agrovet Ltd. under Section 372A of the Companies Act, 1956

"RESOLVED THAT pursuant to Section 372A and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time) (hereinafter referred to as 'the Act'), and/or any other approvals, as may be required, the Company be and is hereby authorised to further invest in securities of Godrej Agrovet Ltd. (GAVL) by subscription/purchase or otherwise and/or place intercorporate deposits with and/or make loans or any other form of debt to and/or investment in GAVL, in addition to the limits already sanctioned for investments/intercorporate deposits/loans, upto a sum of Rs. 20 crore (Rupees Twenty Crore Only), notwithstanding that the aggregate of the loans and investments so far made in or to be made in, exceeds the limits laid down by the Act.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take from time to time all decisions and steps necessary or expedient or proper in respect of the above investment/debt including the timing, the amount and other terms and conditions of such transactions and also to take all other decisions including varying any of them through recall, renewal, transfer, sale, disinvestment or otherwise, either in part or in full, as it may, in its absolute discretion, deem appropriate, subject to the limits specified above.

RESOLVED FURTHER THAT this resolution be valid for a period from the date of approval of the Shareholders to March 31, 2011 and that during this period, the limits indicated hereinabove in case of divestment be restored to the original sanctioned limit of Rs. 20 crore."

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:  
Further investment in Ensemble Holdings & Finance Ltd. under Section 372A of the Companies Act, 1956

"RESOLVED THAT pursuant to Section 372A and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time) (hereinafter referred to as 'the Act'), and/or any other approvals, as may be required, the Company be and is hereby authorised to further invest in securities of Ensemble Holdings & Finance Ltd. (EHFL) by subscription/purchase or otherwise and/or place intercorporate deposits with and/or make loans or any other form of debt to and/or investment in EHFL, in addition to the limits already sanctioned for

investments/intercorporate deposits/loans, upto a sum of Rs.10 crore (Rupees Ten Crore Only), notwithstanding that the aggregate of the loans and investments so far made in or to be made in, exceeds the limits laid down by the Act.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to take from time to time all decisions and steps necessary or expedient or proper in respect of the above investment/debt including the timing, the amount and other terms and conditions of such transactions and also to take all other decisions including varying any of them through recall, renewal, transfer, sale, disinvestment or otherwise, either in part or in full, as it may, in its absolute discretion, deem appropriate, subject to the limits specified above.

**RESOLVED FURTHER THAT** this resolution be valid for a period from the date of approval of the Shareholders to March 31, 2011 and that during this period, the limits indicated hereinabove in case of divestment be restored to the original sanctioned limit of Rs.10 crore."

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

**Further investment in Boston Analytics Inc. under Section 372A of the Companies Act, 1956**

"**RESOLVED THAT** pursuant to Section 372A and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time) (hereinafter referred to as 'the Act'), and/or any other approvals, as may be required and subject to the approval of the Shareholders, the Company be and is hereby authorised to further invest in securities of Boston Analytics Inc. (BAI) by subscription/purchase or otherwise and/or place intercorporate deposits with and/or make loans or any other form of debt to and/or investment in BAI, in addition to the limits already sanctioned for investments/intercorporate deposits/loans, upto a sum of Rs.15 crore (Rupees Fifteen Crore Only), notwithstanding that the aggregate of the loans and investments so far made in or to be made in, exceeds the limits laid down by the Act.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to take from time to time all decisions and steps necessary or expedient or proper in respect of the above investment/debt including the timing, the amount and other terms and conditions of such transactions and also to take all other decisions including varying any of them through recall, renewal, transfer, sale, disinvestment or otherwise, either in part or in full, as it may, in its absolute discretion, deem appropriate, subject to the limits specified above.

**RESOLVED FURTHER THAT** this resolution be valid for a period from the date of approval of the Shareholders to March 31, 2011 and that during this period, the limits indicated hereinabove in case of divestment be restored to the original sanctioned limit of Rs.10 crore."

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

**To revise the terms of appointment and remuneration of Ms. Nisa A. Godrej.**

"**RESOLVED THAT** subject to the provisions of Section 314(1B) and other applicable provisions, if any of the Companies Act, 1956, (including any statutory modification, amendment or re-enactment thereof for the time being in force and as may be enacted from time to time) (hereinafter referred to as 'the Act'), approval of the Company be and is hereby accorded to the revision in the terms of remuneration payable to Ms. Nisa A. Godrej (daughter of Mr. A.B. Godrej, Chairman of the Company and sister of Ms. T. A. Dubash, Executive Director & President (Marketing) of the Company) currently holding an office or place of profit in the Company as Executive Vice President (Business Development) with effect from April 1, 2008 on the terms and conditions as detailed in the Explanatory Statement hereto.

**RESOLVED FURTHER THAT** the Board of Directors of the Company and the Company Secretary be and are hereby severally authorised to make and submit applications to the Central Government or any other statutory authority as may be required, settle any question, difficulty or doubt, that may arise in giving effect to this resolution, do all such acts, deeds, matters and things and sign and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters concerned therewith or incidental thereto."

**13. To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:**

**To alter the Articles of Association of the Company.**

"**RESOLVED THAT** the following Clause be inserted as Clause 24A after Clause 24 of the existing Articles of Association of the Company:

Subject to the applicable provisions of the Companies Act, 1956 and/or any other Act and in accordance with the guidelines prescribed by SEBI and/or any other regulatory authority, the Company may buyback its shares or any other securities issued by it."

By Order of the Board of Directors

**S.K. BHATT**

Executive Vice-President  
(Corporate Services)  
& Company Secretary

Mumbai, May 28, 2008

**Registered Office:**

Pirojshanagar, Eastern Express Highway,  
Vikhroli (East), Mumbai 400 079.

**NOTES:**

1. The relative Explanatory Statement in respect of business under Item No. 8 to 13 as set out in the Notice is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON POLL, TO VOTE INSTEAD OF HIMSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. A PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING.
3. The Register of Members and Share Transfer Books of the Company will be closed from July 22, 2008 to July 29, 2008 (both days inclusive) for ascertaining the names of the shareholders to whom the dividend which if declared at the Annual General Meeting is payable. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd., for this purpose.
4. Those Members who have so far not encashed their dividend warrants for the below mentioned financial years, may claim or approach the Company for the payment thereof as the same will be transferred to the 'Investor Education and Protection Fund' of the Central Government, pursuant to Section 205C of the Companies Act, 1956 on the respective dates mentioned thereagainst. Please note that as per Section 205C of the Companies Act, 1956, no claim shall lie against the Company or the aforesaid Fund in respect of individual amounts which remain unclaimed or unpaid for a period of seven years from the date the dividend became due for payment and no payment shall be made in respect of such claims.

Dividend for the Financial Year ended	Due date for transfer
31.03.2001	28.07.2008
31.03.2002	14.08.2009
31.03.2003	25.08.2010
31.03.2004	26.07.2011
31.03.2005	26.07.2012
31.03.2006	24.07.2013
31.03.2007	27.07.2014

5. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
6. Members are requested to send in their queries at least a week in advance to the Company Secretary at the Registered Office of the Company to facilitate clarifications during the meeting.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.****Item No. 8 to 11**

Particulars of the Company where investment/placement of intercorporate deposits/lending is proposed:

Item No.	Name & Regd. Office of the Company	Investment as on date in Rs. Crore and % of existing holding	Amount of proposed investment (Rs. Crore)	Principal business of the Company	Purpose of investment	Source of funds	Nature of concern/ interest of directors
8	Godrej Properties Ltd., Godrej Bhavan, Mumbai 400001.	187.92 (81.41%)	25	Real Estate Development	A good investment opportunity	Internal Sources/ borrowing	Mr. A. B. Godrej, Mr. J. N. Godrej, Mr. N. B. Godrej, Ms. T. A. Dubash, Mr. F. P. Sarkari, Mr. V. N. Gogate, Mr. V. F. Banaji, Mr. M. Eipe and Mr. M.P. Pusalkar being Directors and/or shareholders may be deemed to be interested in the resolution. None of the other Directors are interested in the resolution.



Item No.	Name & Regd. Office of the Company	Investment as on date in Rs. Crore and % of existing holding	Amount of proposed investment (Rs. Crore)	Principal business of the Company	Purpose of investment	Source of funds	Nature of concern/ interest of directors
9	Godrej Agrovet Limited Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai - 400 079	163.18 (75.20%)	20	Animal feeds, Integrated poultry business, Agri inputs, Oil palm plantations, Plant biotech and Rural and Urban retailing	To support GAVL's growth plans.	Internal Sources/ borrowing	Mr. A. B. Godrej, Mr. J. N. Godrej, Mr. N. B. Godrej, Mr. V. M. Crishna, Mr. K. N. Petigara and Ms. T. A. Dubash, being Directors and/or shareholders may be deemed to be interested in the resolution. None of the other Directors are interested in the resolution.
10	Ensemble Holdings & Finance Limited Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai - 400 079.	13.19 (100%)	10	Investment Company	A good Investment Opportunity	Internal Sources/ borrowing	Ms. T. A. Dubash and Mr. M. Eipe being Directors and/or shareholders may be deemed to be interested in the resolution. None of the other Directors are interested in the resolution.
11	Boston Analytics Inc. 175, Federal Street, 14 <sup>th</sup> Floor, Boston, Massachusetts - 02110	9.88 (17.10%)	15	Business Research and Analysis (Knowledge Process Outsourcing)	A good Investment Opportunity	Internal Sources/ borrowing	Mr. N. B. Godrej being a Director may be deemed to be interested in the resolution. None of the other Directors are concerned or interested in the resolution.

The Board recommends the above resolutions for approval of the Members.

#### Item No.12

Ms. Nisa A. Godrej was appointed as an employee of the Company with effect from October 1, 2001. The shareholders of the Company, through Postal Ballot, the results of which were announced by the Chairman on October 5, 2006, had approved payment of revised fixed compensation in the scale of Rs.1,00,000 - 2,00,000 per month and perquisites and allowances as per the scheme of the Company as admissible to similarly placed employees which was subsequently approved by the Government of India, Ministry of Finance and Company Affairs, Department of Company Affairs vide its letter dated March 15, 2007.

Ms. Nisa A. Godrej is a Bachelor of Science in Economics from the Wharton School, University of Pennsylvania, USA and a Master of Business Administration from Harvard Business School, Harvard University, Boston, M.A. Ms. Nisa A. Godrej has more than 7 years of industrial and business experience. Considering the educational qualifications, experience and other relevant factors it is proposed to revise the remuneration payable to Ms. Nisa A. Godrej w.e.f. April 1, 2008 and the same is likely to exceed the limits already approved by the Central Government as mentioned above.

The proposed revised terms of appointment and remuneration payable to Ms. Nisa A. Godrej w.e.f. April 1, 2008 are as follows:

#### Appointment in the grade of Executive Vice-President

##### 1. Fixed Compensation:

Fixed Compensation shall include Basic Salary and the Company's contribution to Provident Fund and Gratuity Fund. The Basic Salary shall be in the range of Rs.1,78,750 - 2,98,750 per month, payable monthly. The Annual Basic Salary and increments will be decided by the Compensation Committee/Board of Directors depending on her performance, the profitability of the Company and other relevant factors. The Basic Salary approved by the Compensation Committee for the period from April 1, 2008 to March 31, 2008 is Rs.1,78,750/- per month plus Company's contribution to Provident Fund plus Gratuity Fund.

## 2. Performance Linked Variable Remuneration (PLVR):

Performance Linked Variable Remuneration according to the Scheme of the Company for each of the financial years as may be decided by the Compensation Committee/Board of Directors of the Company based on Economic Value Added in the business and other relevant factors and having regard to her performance for each year. For the financial year ended 31.03.2008, she was paid PLVR of Rs.16,04,012/-. Depending on the performance of the Company and her contribution, the PLVR payable can be upto Rs.38,30,338/- this financial year.

## 3. Flexible Compensation:

In addition to the Fixed Compensation and PLVR, Ms. Nisa A. Godrej will be entitled to the following allowances, perquisites, benefits, facilities and amenities as per rules of the Company and subject to the relevant provisions of the Companies Act, 1956 (collectively called "perquisites and allowances"). These perquisites and allowances may be granted to Ms. Nisa A. Godrej in the manner as the Compensation Committee/Board of Directors of the Company may decide as per the Rules of the Company.

- Housing (i.e. unfurnished residential accommodation OR House Rent Allowance at 80% of Basic Salary);
- Furnishing at residence;
- Supplementary Allowance;
- Leave Travel Assistance;
- Payment/reimbursement of domiciliary medical expenses for self and family;
- Payment/reimbursement of Food Vouchers, petrol reimbursement;
- Company cars with driver for official use, provision of telephone(s) at residence;
- Payment/reimbursement of telephone expenses;
- Housing Loan, Contingency Loan as per rules of the Company. These loans shall be subject to Central Government approval, if any;
- Earned/privilege leave, on full pay and allowance, not exceeding 30 days in a financial year. Encashment/accumulation of leave will be permissible in accordance with the Rules specified by the Company. Casual/Sick leave as per the rules of the Company;
- Such other perquisites and allowances as per the policy/rules of the Company in force and/or as may be approved by the Board from time to time.

The maximum cost to the Company per annum for the aggregate of the allowances listed above for Ms. Nisa A. Godrej shall be in the range of Rs. 2,46,200 – 4,11,300.

For the period April 1, 2008 to March 31, 2008 the maximum cost of the Company for all the heads of flexible compensation payable to Ms. Nisa A. Godrej is Rs.2,46,200.

In addition to the above, Ms. Nisa A. Godrej shall be eligible to encashment of leave, club facilities, group insurance cover, group hospitalisation cover, and/or any other allowances, perquisites and facilities as per the Rules of the Company.

### Explanation:

- i) For the Leave Travel Assistance and reimbursement of medical and hospitalisation expenses, 'family' means the spouse, dependent children and dependent parents.
- ii) Perquisites shall be evaluated at actual cost or if the cost is not ascertainable the same shall be valued as per Income Tax Rules.

### Notes:

- I. Unless otherwise stipulated, for the purpose of the above, the perquisites shall be evaluated as per Income Tax Rules wherever actual cost cannot be determined.
- II. The limits specified above are the maximum limits and the Compensation Committee/Board may in its absolute discretion pay to Ms. Nisa A. Godrej lower remuneration and revise the same from time to time within the maximum limits stipulated above.
- III. In the event of any re-enactment or re-codification of the Companies Act, 1956 or the Income Tax Act, 1961 or amendments thereto, the foregoing shall continue to remain in force and the reference to various provisions of the Companies Act, 1956 or the Income Tax Act, 1961 shall be deemed to be substituted by the corresponding provisions of the new Act or the amendments thereto or the Rules and notifications issued thereunder.

Mr. A.B. Godrej and Ms. T. A. Dubash being relatives may be deemed to be interested in the resolution. None of the other Directors of the Company are concerned or interested in the resolution. The Board of Directors of the Company recommends the passing of the resolution as set out at Item No.12 of the Notice.

### Item No13

Article 24A of the Articles of Association of the Company needs to be inserted in the Articles of Association of the Company. This Article governs the clause relating to Buyback of shares in the Company. It is proposed to alter the existing Articles of Association of the Company in order to bring it in line with the current provisions of the Companies Act, 1956 and the guidelines of Securities and Exchange Board of India, which permits Buyback. The Directors recommend the passing of this resolution. None of the Directors of the Company are concerned or interested in the resolution.