

45th Annual Report 1998-99



IDI Limited



Board of Directors

MR. YOGINDRA N. MAFATLAL
Chairman & Managing Director

MR. ATULYA Y. MAFATLAL
Vice-Chairman & Managing Director

MR. MADHAV L. APTE

MR. KESHUB MAHINDRA

MR. ROHIT C. MEHTA

MR. JEHangIR M. CHAGLA

MR. SHAPOOR P. MISTRY

MR. PRABHUDAS S. SHINGALA

MR. VIRENDRA D. WIDGE
Executive Director — (Colorants & Chemicals Division)

MR. ASHISH R. VATSARAJ
Executive Director — (Corporate Division)

MR. KANU M. MODI
Executive Director — (Vat Dyes Division)

MR. D.S.R. MURTHY
Nominee Director (UTI)

MR. RAMDAS M. GANDHI
Resigned in October 1999


IDI Limited
45th ANNUAL GENERAL MEETING

Date : 10th March, 2000

Day : Friday

Time : 11.00 A.M.

Venue : Patkar Hall,
S.N.D.T. Women's University,
1, Nathibai Thackersey Road,
Mumbai 400 020.

REGISTERED OFFICE

MAFATLAL CENTRE, NARIMAN POINT,
MUMBAI 400 021.

SHARE DEPARTMENT

MAFATLAL CENTRE, 5TH FLOOR,
NARIMAN POINT,
MUMBAI 400 021.

WORKS

SHAHAD, DISTRICT THANE 421 103
BOISAR, DISTRICT THANE 401 506
RANOLI, DISTRICT BARODA 391 350

BANKERS

UCO BANK
BANK OF BARODA
DENA BANK
STATE BANK OF SAURASHTRA
CANARA BANK
BARCLAYS BANK PLC
STATE BANK OF INDIA
UNION BANK OF INDIA

AUDITORS

M/s. C. C. CHOKSHI & CO.,
Chartered Accountants

SOLICITORS

M/s. MANILAL KHER AMBALAL & CO.,
Advocates, Solicitors and Notary

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NOTICE

NOTICE IS HEREBY GIVEN that the 45th Annual General Meeting of the Members of **IDI LIMITED** will be held on Friday, the **10th March, 2000** at 11 a.m. at **Patkar Hall** of S.N.D.T. Women's University, 1, Nathibai Thackersey Road, Mumbai 400 020, to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet as at 30th June, 1999 and the Profit and Loss Account of the Company for the period ended on that date and Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. R.C. Mehta, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. M.L. Apte, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Keshub Mahindra, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution.

ORDINARY RESOLUTION:

"RESOLVED THAT in partial modification of resolution passed by the Members at the 44th Annual General Meeting held on 15th December, 1998, Messrs. C.C. Chokshi & Company, Chartered Accountants, Mumbai, Auditors of the Company, be paid remuneration by way of audit fees of Rs. 4,00,000 plus service tax and out of pocket expenses for carrying out the statutory audit of the accounts of the Company for the financial year from 1st April, 1998 to 30th June, 1999."

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

SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to Section 372A and other applicable provisions, if any, of the Companies Act, 1956 or any amendments or re-enactments thereto and in force from time to time, the Board of Directors of the Company be and is hereby authorised to give guarantees or provide security in connection with a loan made by any person to, or to any person by Mafatlal Dyes & Chemicals Limited (MDC) upto an aggregate amount of Rs. 25 crores for securing the credit facilities provided to MDC for meeting their working capital requirements from time to time."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to determine the actual amount of guarantee/security to be given or provided, and to settle all questions and matters arising out of and to take all steps which the Board in its absolute discretion considers necessary, proper and expedient for implementing this Resolution, without further reference to the Company in the General Meeting."

8. To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution.

ORDINARY RESOLUTION:

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions of the Companies Act, 1956 or any amendments or re-enactments thereto and in force from time to time and subject to the approval of the Financial Institutions, Debenture Trustees and such other approvals, permissions, consents and sanctions as may be necessary or applicable, being obtained from appropriate authorities, to mortgaging and/or charging by the Board of Directors of the Company of all or any of the immovable and movable properties of the Company, both present and future, wheresoever situate and the whole of the undertaking of the Company to or in favour of Industrial Development Bank of India (IDBI) as Trustees for holder of 600 Secured Non-Convertible Debentures (17.5%) of the face value of Rs. 1,00,000 each of the aggregate face value of Rs. 600 lacs for cash at par issued and allotted to Industrial Development Bank of India (IDBI) on private placement basis, to secure repayment of said Debentures of Rs. 600 lacs, together with interest at the agreed rate, additional interest, liquidated damages, commitment charges, remuneration of the Trustees, costs, charges, expenses and all other monies payable by the Company in terms of the Debenture Trust Deed/Trustees Agreements entered into/to be entered into by the Company in respect of the said Debentures and to the Board of Directors of the Company agreeing with the said IDBI as Trustees in terms of their Debenture Trust Deed/Trustees Agreements to reserve a right to take over the management of the business and concern of the Company in certain events."



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"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise with IDBI as Trustees, the documents for creating the aforesaid mortgage and/or charge and for reserving the aforesaid right and to do all such acts and things as may be necessary for giving effect to the above Resolution."

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

SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 ('the Act'), the Articles of Association of the Company be and are hereby altered by inserting the following new Articles 27-A and 73-A after the existing Articles 27 and 73 respectively alongwith the headings and marginal notes.

27-A. DEMATERIALISATION OF SECURITIES:

Definitions

- (1) For the purpose of this Article:

"SEBI" means the Securities and Exchange Board of India established under Section 3 of The Securities and Exchange Board of India Act, 1992.

"Depositories Act" means The Depositories Act, 1996, including any statutory modifications or re-enactments thereof for the time being in force.

"Depository" means a Company formed and registered under the Companies Act, 1956 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.

"Bye-laws" means bye-laws made by a Depository under Section 26 of the Depositories Act.

"Beneficial Owner" means a person whose name is recorded as such with a Depository.

"Member" means the duly registered holder from time to time of the shares of the Company and includes every person whose name is entered as a Beneficial Owner in the records of the Depository.

"Participant" means a person registered as such under Section 12(1A) of The Securities and Exchange Board of India Act, 1992.

"Record" includes the records maintained in the form of books or stored in Computer or in such other form as may be determined by regulations made by SEBI in relation to the Depository Act.

"Regulations" means the regulations made by SEBI.

"Security" means such security as may be specified by SEBI.

Words imparting the singular number only include the plural number and vice versa.

Words imparting persons include corporations.

Words and expressions used and not defined in this Article shall have the same meanings as respectively assigned to them in the Depositories Act.

- (2) Either the Company or the investor may exercise an option to issue, deal in, hold Securities (including Shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialised, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof shall be governed by the provisions of the Depositories Act as amended from time to time or any statutory modification thereto or re-enactment thereof.

Dematerialisation of Securities

- (3) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its existing Securities, rematerialise its Securities held in the Depositories and/or offer its fresh Securities in a dematerialised form pursuant to the Depositories Act and the rules framed thereunder, if any.

Option to receive securities certificates or hold securities with Depository

- (4) Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. If a person opts to hold his Security with a Depository, the Company shall intimate such Depository the details of allotment of the Security and on receipt of the information, the Depository shall enter in its records, the name of the allottees as the Beneficial Owner of the security.



Securities in Depositories	(5)	All Securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 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.
Rights of Depositories and Beneficial Owners	(6)	<p>(a) Notwithstanding anything to the contrary contained 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.</p> <p>(b) Save as otherwise provided in (a) above, the Depository as the registered owner of the Securities shall not have any voting rights or any other rights as the case may be in respect of the Securities held by it.</p> <p>(c) Every person holding securities of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Member of the Company. The Beneficial Owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a Depository.</p>
Beneficial Owner deemed as absolute Owner	(7)	Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any Share or where the name appears as the Beneficial Owner of the Security in the records of the Depository, as the absolute owner thereof. The Company shall not be bound to recognise any benami trust or equitable, contingent, future or partial interest in the Security (except otherwise provided by the Articles) or any right in respect of the Security other than an absolute right thereto in accordance with these Articles on the part of any other person whether or not it has express or implied notice thereof, but the Board shall subject to the provisions of the Act, be at its sole discretion to register the Security in the joint names of any two or more persons or the survivor or survivors of them.
Depository to furnish information	(8)	Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.
Cancellation of certificates upon surrender by a person	(9)	Upon receipt of Certificate of Securities for dematerialisation in terms of the applicable provisions of appropriate Acts or rules, the Company shall cancel such certificates and substitute in its records, the name of the Depository as the owner in respect of the said Securities and shall also inform the Depository accordingly.
Option to opt out in respect of any security	(10)	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 information as above make appropriate entries in its records and shall inform the Company. The Company shall within thirty (30) days of the receipt of intimation from the Depository and on fulfillment of such conditions and 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.
Service of Documents	(11)	Notwithstanding anything in the Act, or these Articles to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository to the Company by means of electronic mode or by delivery of floppies or discs.
Provisions of the Act and Articles to apply to Securities held in the Depository	(12)	All the provisions of the Act and Articles of Association of the Company, particularly the provision relating to joint holding, calls, lien, forfeiture and transfer and transmission of Securities shall also be applicable to securities held in the Depository.
Allotment of Securities dealt within a Depository	(13)	Notwithstanding anything in the Act or these Articles where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.

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| Distinctive number of shares held in the Depository | (14) The Shares in the capital shall be numbered progressively according to their several denominations, provided however, that the provisions relating to progressive numbering shall not apply to the Shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form. |
| Register and Index of Beneficial Owners | (15) The Company shall cause to keep a Register and Index of Members and a Register and Index of Debentureholders in accordance with Section 151 and 152 of the Act respectively read with the applicable provisions of the Depositories Act with details of Shares and Debentures held in material and demat forms in any media as may be permitted by law. 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 Register and Index of Debentureholders, as the case may be, for the purpose of the Act. The Company shall have the power to keep in any state or country outside India, a branch Register of Members in respect of the resident in that state or country. |
| Register of Transfers | (16) The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share held in material form. |
| Trading and Transfer of Securities | (17) Trading and transfer of securities can be effected in the form permitted by appropriate authorities from time to time. |
| Power to Board to take necessary actions to Dematerialise Securities offered by the Company | (18) The Board is authorised to take all such actions and steps as may be necessary to dematerialise listed securities offered by the Company including executing deeds, documents and papers and appointing such persons and agencies as may be necessary to facilitate dematerialisation/rematerialisation and trading in such securities. |

73-A NOMINATION:

- (1) Every holder of Shares or debenture of the Company, may at any time, nominate, in the prescribed manner, a person to whom his shares in, or debentures of the Company shall vest in the event of his death. A member may revoke or vary his or her nomination, at any time, by notifying the Company to that effect.
- (2) Where the shares or debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the manner prescribed under the Act, a person to whom all the rights in the shares or debentures of the Company shall vest in the event of death of all 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 the shares or debentures where a nomination is made in the manner prescribed under the Act, purports to confer on any person the right to vest the shares or debentures of the Company, the nominee shall, on the death of the shareholder or the debentureholder concerned, or on the death of the jointholders, become entitled to all the rights in the shares or debentures of the Company of such shareholder or holder of debentures or, as the case may be, of all the joint holders, in relation to such shares in or debentures of the Company to the exclusion of all other persons, unless the nomination is varied, cancelled in the manner prescribed under the Act.
- (4) Where the nominee is a minor, the holder of the Shares or debentures concerned, can make the nomination to appoint, in the prescribed manner under the Act, any person to become entitled to the shares or debentures concerned in the event of his death, during the minority.
- (5) Notwithstanding anything contained in these Articles, any person who becomes a nominee under the provisions of Section 109A, and to whom the shares in or debentures of the Company have vested on the death of the Shareholder or holder of the debentures of the Company, or as the case may be, on the death of the joint holders, upon the production of such evidence as may be required by the Board, and subject as hereinafter provided elect either-
 - (a) to be registered himself as holder of the share or debenture as the case may be; or



- (b) to make such transfer of the share or debenture, as the case may be, as the deceased shareholder or debentureholder, as the case may be, could have made.
- (6) If the person being a nominee, so becoming entitled, 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 duly signed by him that nominee concerned so elects and such notice shall be accompanied with the death certificate of the deceased shareholder/debentureholder as the case may be.
- (7) All the limitations, restrictions and provisions of this Act relating to the right to transfer and the registration of transfers of shares or debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer were signed by that shareholder or debentureholder, as the case may be.
- (8) A person being a nominee becoming entitled to share or debenture by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share or debenture except that he shall not, before being registered as 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 that the Board may, at any time give notice requiring any such person to elect 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 all payments of all dividends, bonuses or other moneys payable in respect of the share or debenture, until the requirements of the notice have been complied with.
- (9) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased shareholder or debentureholder as the case may be had transferred the shares or debentures as the case may be, before his death.
- (10) No person shall be recognised by the Company as a nominee unless the shareholder has, during his life time, giving an intimation to the Company of his having appointed a nominee in the manner specified under Section 109A of the Companies Act, 1956.
- (11) The Company shall not be in any way responsible for transferring the shares and/or debentures consequent upon such information.
- (12) If the holders of the shares or debentures survives the nominee, then and in such case, the nomination made by the registered holder shall be of no effect and shall automatically stand revoked.
- (13) A depositor may, at any time, make a nomination and the provisions of Section 109A and 109B shall as far as may be applicable to such nominations made pursuant to the provisions of Section 58A(11) of the Companies Act, 1956.

By Order of the Board
P.A. DESAI
Sr. Vice-president &
Company Secretary

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Registered Office:
Mafatlal Centre, Nariman Point,
Mumbai 400 021.
Dated : 12th January, 2000.

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. The proxy, in order to be effective, must be received by the Company not less than 48 hours before the commencement of the Meeting.
2. An Explanatory Statement as required under Section 173 (2) of the Companies Act, 1956 in respect of the Special business is annexed.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 1st March to 10th March, 2000 (both days inclusive).

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4. The Equity Shares of the Company are listed on Stock Exchanges at Mumbai-400 001 and Ahmedabad 380 015. Annual listing fees for the financial year 1999-2000 have been paid to these Stock Exchanges.
5. The Share Department of the Company is now functioning at the Registered Office of the Company.
6. The unclaimed dividends for the year 1994-95 and the previous years have been transferred to the General Revenue Account of the Central Government in terms of Section 205A of the Companies Act, 1956. Those Members who have so far not claimed their dividends for the said years, may claim the same from the Registrar of Companies, Maharashtra, Kalachowki, Hakoba Mills' Compound, 2nd floor, Dattaram Lad Marg, Mumbai 400 033.
7. The documents referred to in the Notice are open for inspection at the Registered Office of the Company on all working days except Saturdays and holidays, between 10 am and 12 noon.
8. Consequent to sub-division of Equity shares into Equity shares of Rs. 10 each, those Members who have so far not surrendered the old certificates are requested to exchange the same for new certificates.
9. Members are requested to intimate the change, if any, in their Registered Addresses.

EXPLANATORY STATEMENT

In conformity with the provisions of Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the Notice and should be taken as forming part thereof.

Item No. 6:

In terms of the Resolution passed by the Members at the 44th Annual General Meeting held on 15th December, 1998, the remuneration of C.C. Chokshi & Company was fixed at Rs. 2,00,000 plus out of pocket expenses for the financial year commencing from 1st April, 1998. In view of the extension of the financial year 1998-99 by three months upto 30th June, 1999 and consequent increase in audit work as also considering the all round increase in the costs, a request has been received from C.C. Chokshi & Company to consider increase in their audit fees to Rs. 4,00,000 plus service tax and out of pocket expenses for the said period. The Board of Directors of the Company is agreeable to the increase in the said remuneration. Accordingly the resolution is proposed. The Directors recommend the Resolution for the approval of the Members. None of the Directors of the Company is interested or concerned in the said Resolution.

Item No. 7:

The Companies (Amendment) Act, 1999 has recently inserted Section 372A consolidating the erstwhile provisions of Section 370 and 372 of the Companies Act, 1956. The new provision, inter alia, has combined the limits for making of investments, loans/deposits and giving/providing of guarantees/securities. While abolishing the requirement of prior approval of the Central Government, the amended provisions have given the authority to the Board of Directors and Members of the Company to decide in the matter. Under the new provisions, the limits upto which investments/loans/deposits can be made and guarantees/securities given or provided with the approval of the Board of Directors are 60% of the Paid-up Share Capital and Free Reserves of the Company or 100% of its Free Reserves, whichever is higher. Authorisation of the Members by a Special Resolution is required to exceed the said limits. Members of the Company are aware that by resolution passed at the Annual General Meeting held on 30th August, 1995 the Board of Directors were authorised to give loans/deposits to any body corporate upto an amount not exceeding Rs. 100 crores and to give any guarantee and/or provide any securities upto an amount not exceeding Rs.100 crores. However, the making of further investments, loans/deposits and giving/providing guarantees/securities by the Company will result in the above mentioned aggregate limits prescribed under Section 372A of the Companies Act, 1956, being exceeded. Bankers of Mafatlal Dyes and Chemicals Limited (MDC), a company belonging to Sungrace Mafatlal Group of which the Company is a part, have stipulated that the credit facilities provided by them to MDC should be secured by way of corporate guarantee of this Company in favour of MDC's bankers. The Company has accordingly received request from MDC for providing the said Corporate Guarantee to MDC's Bankers for securing the credit facilities provided by them and the Company proposes to furnish such guarantee upto the limit proposed in the resolution. Giving of the said guarantee will result in exceeding the limits set out in said Section. Accordingly, the Special Resolution is proposed. The Directors recommend the Resolution for the approval of the Members. None of the Directors of the Company is interested or concerned in the said Resolution, except Mr. Y.N. Mafatlal,



Mr. A.Y. Mafatlal and Mr. P.S. Shingala, Directors of the Company who are also the Directors of MDC, and hence may be deemed to be interested in the said Resolution. The documents referred to in the Notice and in the Explanatory Statement are available for inspection at the Registered Office of the Company on all working days between 10.00 a.m. and 12 noon excepting Saturdays and holidays.

Item No. 8:

Industrial Development Bank of India (IDBI), by its letter dated 18th January, 1999 has sanctioned assistance by way of subscription on private placement basis, 600 Secured Non-Convertible Debentures (17.5%) of the face value of Rs. 1,00,000 each, aggregating to Rs. 600 lacs, to meet normal capital expenditure and shortfall in cash flow to overcome the liquidity constraints being faced by the Company. 300 Debentures were allotted on 29th April, 1999, 150 Debentures were allotted on 25th August, 1999 and 150 Debentures were allotted on 12th January, 2000, to IDBI. These Debentures are redeemable at par in three annual installments at the end of 4th, 5th and 6th year from the respective dates of allotment. These Debentures are to be secured by the mortgage and charge and/or hypothecation of the Company's assets and properties, both movable and immovable, ranking pari passu with other charge holders. The proposed mortgage of the Company's assets and properties may be regarded as disposal of undertaking, which requires the approval of the Members, pursuant to Section 293(1)(a) of the Companies Act, 1956. The Members had passed an Ordinary Resolution in the year 1993 granting the consent under Section 293(1)(a) and (d) of the Companies Act, 1956 for borrowing and for securing the borrowings by mortgage/charge/pledge, etc. of the assets of the Company. However, the Ordinary Resolution is proposed for the sake of abundant caution and by way of specific sanction for the security to be created in favour of IDBI as Trustees for repayment of these Debentures. Accordingly, the resolution is proposed. The Directors recommend the Resolution for the approval of the Members. None of the Directors is interested or concerned in the said Resolution. The documents referred to in the Notice and in the Explanatory Statement are available for inspection at the Registered Office of the Company on all working days between 10.00 a.m. and 12 noon excepting Saturdays and holidays.

Item No. 9:

As directed by SEBI by its letter dated 26th October, 1999, it will be compulsory for Members who fall in the category of Financial Institutions (FIs, FIs, Mutual Funds and Banks) and OCBS to deal in the Company's Equity Shares in dematerialised form on and from 29th November, 1999. Consequently, the Company has signed a Tripartite Agreements with National Securities Depository Limited (NSDL) and Central Depository Services of (India) Ltd. (CDSL) and Sharepro Services, (an agent who has connectivity with NSDL and CDSL) for admitting the Company's Shares under the Depository System. The Equity Shares are available in dematerialised form with effect from 29th November, 1999 and shall be available for trading in the electronic segment on the Stock Exchanges at Mumbai and Ahmedabad with effect from 29th November, 1999. In order to bring the Articles of Association of the Company in line with the Depositories Act, 1996 and the amendments made to the Companies Act, 1956, upon introduction of the Depository System, and providing nomination facilities to investors, amendments are required to be made in the existing Articles of Association of the Company as specified in the Special Resolution. Section 31 of the Companies Act, 1956, requires a Special Resolution to amend the Articles. Accordingly, your Directors recommend the resolution for approval. The copy of the Memorandum and Articles of Association of the Company and the documents referred to in the Notice and in the Explanatory Statement are available for inspection at the Registered Office of the Company between 10.00 a.m. and 12.00 noon on all working days excepting Saturdays and holidays. None of the Directors is concerned or interested in the said resolution.

By Order of the Board
P.A. DESAI
Sr. Vice-president &
Company Secretary

Registered Office:
Mafatlal Centre, Nariman Point,
Mumbai 400 021.
Dated : 12th January, 2000.