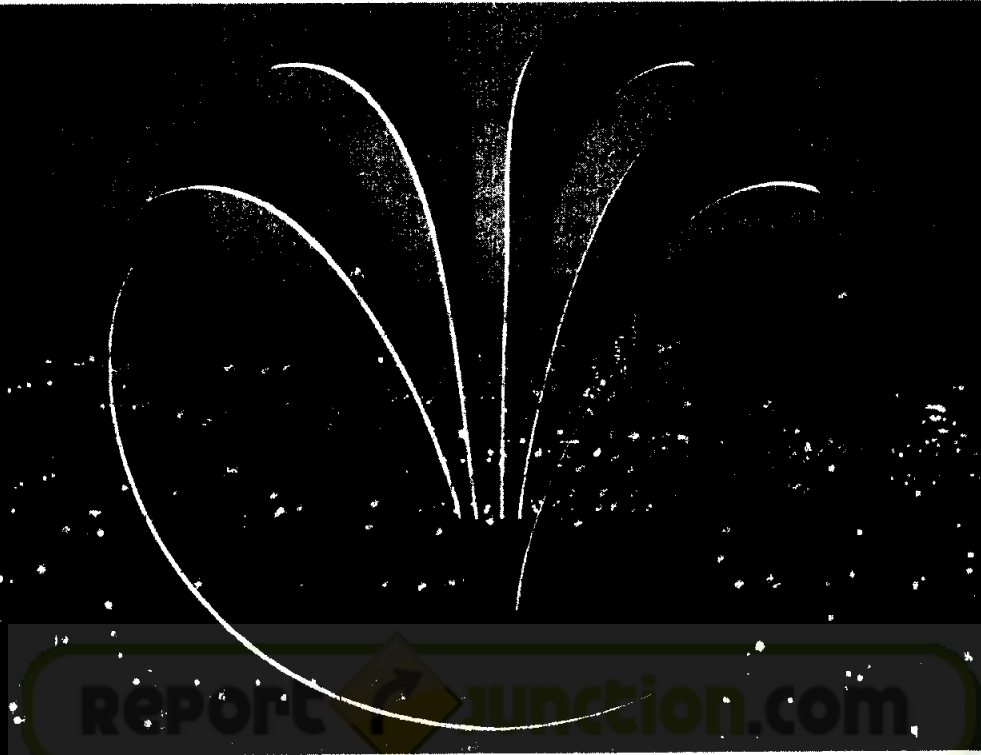


33rd
ANNUAL REPORT
2001-2002



Engineered for the future



Indian Petrochemicals Corporation Limited

P.O. Petrochemicals Township, Vadodara - 391 345, India.

BOARD OF DIRECTORS

Shri Ashok Chawla
Chairman and Managing Director
(Upto 04.06.2002)

WHOLE TIME DIRECTORS

(Upto 04.06.2002)

S/Shri
C.Bhattacharya
S.K.Anand
Dr.C.M.Lamba
S.B.Shah (From 06.08.2001)

GOVT. NOMINEE DIRECTORS

Shri Vijay Ranchan
(Upto 09.11.2001)

Dr.Manjula Subramaniam
(From 21.01.2002 to 04.06.2002)

Shri Vishwas Dhumal
(Upto 04.06.2002)

INDEPENDENT DIRECTORS

(Upto 27-9-2001)

S/Shri
S.M.Datta
D.Basu
Dr.J.S.Juneja
Rajinder Gupta

COMPANY SECRETARY

Shri A. Parthasarthy Naidu

REGISTERED OFFICE

PO: Petrochemicals
Dist: Vadodara-391 346
Tel: (0265) 265091
Fax: (0265) 266164
Email: naiduap@ipclmail.com

BOARD OF DIRECTORS

(w.e.f. 04-06-2002)

Shri Mukesh D. Ambani
Chairman

DIRECTORS

S/Shri
Anil D. Ambani (w.e.f. 20-08-2002)
Nikhil R. Meswani
Anand J. Jain
K.G.Ramanathan (upto 20-08-2002)
Kamal P. Nanavaty

WHOLE TIME DIRECTOR

Shri S.K. Anand

GOVT. NOMINEE DIRECTORS

S/Shri
Ashok Chawla
H.C.Gupta

INDEPENDENT DIRECTORS

S/Shri
R.S.Lodha
Shailesh V. Haribhakti
Lalit Bhasin
Sandeep H. Junnarkar

REGISTRARS AND SHARE TRANSFER AGENTS

MCS Limited
Neelam Apartment
88, Sampatrao Colony
Vadodara - 390 007
Tel : (0265)339397, Fax: (0265) 341639
Email: mcs.brd@lwbdq.lwbbs.net

FIXED DEPOSITS & DEBENTURES

Scrps Financial Services (Pvt.) Ltd.
Satish Chambers
Opp: Railway Police Ground
Near G.P.O., Raopura
Vadodara 390 001
Tel : (0265) 427177, Fax: (0265) 433840
Email : scrips@hotmail.com.

NEW REGISTRAR AND SHARE TRANSFER AGENT (w.e.f. 1.10.2002)

(For all Securities related activities)

Karvy Consultants Limited
Karvy House, 46, Avenue 4,
Street No. 1, Banjara Hills,
Hyderabad - 500 034
Tel. # 040 - 3323031 / 3304703
Fax # 040 - 3323058
Email : ipcl@karvy.com

BANKERS

State Bank of India
Bank of India
Bank of Baroda
State Bank of Saurashtra
HDFC Bank
Bank of America
Citibank N.A.
Standard Chartered Grindlays Bank
ABN AMRO Bank

STATUTORY AUDITORS

Kantilal Patel & Co.,
Chartered Accountants
202, "Paritosh"
Usmanpura (River Side)
Ahmedabad- 380 013

OTHER AUDITORS

Glirish Murthy & Kumar
Chartered Accountants
4502, High Point IV
5th Floor, 45, Palace Road
Bangalore- 560 001

M.L. Puri & Co.,
Chartered Accountants
3, White House
154, Shere Punjab Co-Operative
Housing Society Ltd.
Andheri (East)
Mumbai- 400 093

A.K. Barman & Associates
Chartered Accountants
85, Lenin Sarani, 1st Floor
Kolkata- 700 013

H.K. Chaudhary & Co.
Chartered Accountants
1/9-B, Jindal House, Asaf Ali Road
New Delhi- 110 002

MEETING VENUE

33rd Annual General Meeting will be held at 2.00 p.m. on Friday, the 27th September, 2002 at
Prof. Chandravadan Mehta Auditorium, General Education Building, M.S. University of Baroda,
Pratapganj, Vadodara 390 002.



NOTICE

NOTICE is hereby given that the Thirty-third Annual General Meeting of the Shareholders of Indian Petrochemicals Corporation Limited will be held at 2.00 p.m. on Friday the 27th September, 2002 at Prof. Chandravadan Mehta Auditorium, General Education Centre, Opposite D.N. Hall Ground, The Maharaja Sayajirao University of Baroda, Pratapganj, Vadodara 390 002. to transact the following business:-

Ordinary Business

1. To consider and adopt the Balance Sheet as at 31st March, 2002, Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on equity shares.
3. To consider and, if thought fit, to pass with or without modification (s), the following resolution as a **Special Resolution**:
 "RESOLVED THAT pursuant to Section 224A and all other applicable provisions, if any, of the Companies Act, 1956, Deloitte Haskins & Sells, Chartered Accountants, Mumbai, be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to examine and audit the accounts of the Company for the financial year 2002-2003 on such remuneration as may be mutually agreed upon between the Board of Directors and the Auditors, plus reimbursement of service tax, travelling and out of pocket expenses;"
 "RESOLVED FURTHER THAT the Auditors of the Company be and are hereby authorized to carry out (either themselves or through qualified associates) the audit of the Company's accounts maintained at all its offices and establishments (whether now existing or acquired during the financial year ending 31st March, 2003) whether in India or abroad".

Special Business

- To consider and, if thought fit, to pass with or without modification(s), the following resolution(s) as **Ordinary Resolution(s)**:
4. "RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, **Shri Mukesh D. Ambani**, who was appointed by the Board of Directors as an Additional Director of the Company and who holds office upto the date of the ensuing Annual General Meeting under Section 260 of the Companies, Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
 5. "RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, **Shri Nikhil R. Meswani**, who was appointed by the Board of Directors as an Additional Director of the Company and who holds office upto the date of the ensuing Annual General Meeting under Section 260 of the Companies, Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
 6. "RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, **Shri Anand J. Jain**, who was appointed by the Board of Directors as an Additional Director of the Company and who holds office upto the date of the ensuing Annual General Meeting under Section 260 of the Companies, Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
 7. "RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, **Shri Kamal P. Nanavaty**, who was appointed by the Board of Directors as an Additional Director of the Company and who holds office upto the date of the ensuing Annual General Meeting under Section 260 of the Companies, Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
 8. "RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, **Shri S.K. Anand**, who was appointed by the Board of Directors as an Additional Director of the Company and who holds office upto the date of the ensuing Annual General Meeting under Section 260 of the Companies, Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."
 9. "RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, **Shri Ashok Chawla**, who was appointed by the Board of Directors as an Additional Director of the Company and who holds office upto the date of the ensuing Annual General Meeting under Section 260 of the Companies, Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
 10. "RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, **Shri H.C. Gupta**, who was appointed by the Board of Directors as an Additional Director of the Company and who holds office upto the date of the ensuing Annual General Meeting under Section 260 of the Companies, Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
 11. "RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, **Shri R.S. Lodha**, who was appointed by the Board of Directors as an Additional Director of the Company and who holds office upto the date of the ensuing Annual General Meeting under Section 260 of the Companies, Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
 12. "RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, **Shri Chaillesh V. Haribhakti**, who was appointed by the Board of Directors as an Additional Director of the Company and who holds office upto the date of the ensuing Annual General Meeting under Section 260 of the Companies, Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."



13. "RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, **Shri Lalit Bhasin**, who was appointed by the Board of Directors as an Additional Director of the Company and who holds office upto the date of the ensuing Annual General Meeting under Section 260 of the Companies, Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
14. "RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, **Shri Sandeep H. Junnarkar**, who was appointed by the Board of Directors as an Additional Director of the Company and who holds office upto the date of the ensuing Annual General Meeting under Section 260 of the Companies, Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
15. "RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, **Shri Anil D. Ambani**, who was appointed by the Board of Directors as an Additional Director of the Company and who holds office upto the date of the ensuing Annual General Meeting under Section 260 of the Companies, Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
16. To consider and, if thought fit, to pass with or without modification (s), the following resolution as an **Ordinary Resolution**:
 "RESOLVED THAT, in accordance with the provisions of Sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification(s) or re-enactment thereof, for the time being in force, the consent of the Company, be and is hereby accorded to the appointment of and remuneration payable to **Shri S. K. Anand** as a **Whole-Time-Director** of the Company, for a period of five years with effect from 4th June, 2002, on the terms and conditions as are set out in the Agreement to be entered into between the Company and Shri S. K. Anand, a draft whereof is placed before this meeting,"
 "RESOLVED FURTHER THAT, where in any financial year closing after 31st March, 2002, the Company has no profits or its profits are inadequate, the Company do pay to Shri S. K. Anand, remuneration by way of salary, perquisites and allowances not exceeding the limit specified under sub-paragraph (A) of Paragraph I of Section II of Part II of Schedule XIII to the Companies Act, 1956,"
 "RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this Resolution."
17. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
 "RESOLVED THAT, in supersession of Resolution passed at the 32nd Annual General Meeting of the Company held on 27th September 2001 and pursuant to the provisions of Section 293(1) (d) and all other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its consent to the Board of Directors for borrowing any sum or sums of money from time to time from any one or more of the Banks and/or from any one or more persons, firms, Bodies Corporate or Financial Institutions, Multilateral agencies, Foreign Institutional Investors, Foreign Financial Institutions and from any other persons or combination thereof whether by way of over drafts, cash credit, advance or deposits, loans, debentures or bills discounting or otherwise and whether unsecured or secured by mortgage, charge, hypothecation, lien or pledge of the Company's assets and properties, whether in full or in part, whether immovable, movable or stock in trade (including raw materials, stores, spare parts, and components in stock or in transit) current assets and work in progress and all or any of the undertakings of the Company, notwithstanding that the monies to be borrowed together with monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) will or may exceed at any time the aggregate of the paid up capital of the Company and its free-reserves, (that is to say, reserves not set apart for any specific purpose) by a sum not exceeding Rs. 7,000 crores (Rupees seven thousand crores only) in rupees and/or in equivalent foreign currency."
18. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
 "RESOLVED THAT the consent of the Company be and is hereby granted in terms of Section 293(1)(a) and all other applicable provisions of the Companies Act, 1956, (including any statutory modification or re enactment thereof, for the time being in force), to the Board of Directors to create mortgage and/or charge, in addition to the mortgages/charges created/to be created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the moveable and/or immoveable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company together with the power to take over the management of the business and concern of the Company in certain events of default, in favour of the Lender(s), Agent(s) and Trustee(s)/Trustee(s), for securing the borrowings of the Company availed/to be availed by way of loan(s) (in rupee currency and/or foreign currency), Non-Convertible Debentures, secured premium notes, floating rates notes/bonds or other debt instruments), issued/to be issued by the Company, from time to time, subject to the limits approved under Section 293(1)(d) of the Companies Act, 1956, together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Agent(s)/Trustees, premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation/ revaluation/ fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s)/Heads of Agreement(s), Debenture Trust Deed(s) or Loan Agreements or any other document, entered into/to be entered into between the Company and the Lender(s)/ Agent(s) and Trustee(s)/Trustee(s), in respect of the said loans/borrowings/debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the Lender(s)/Agents/Trustee(s);"
 "RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board/Committee be and is hereby authorised to finalise, settle and execute such documents/deeds/writings/papers/ agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages/charges as aforesaid."



19. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:
- "RESOLVED THAT, pursuant to the provisions contained in Sections 16 and 94 and all other applicable provisions, of the Companies Act, 1956, the authorized share capital of the Company be and is hereby increased from Rs. 500,00,00,000 (Rupees five hundred crores only) divided into 40,00,00,000 (Forty crores only) Equity Shares of Rs. 10 (Rupees ten) each and 10,00,00,000 (Ten crores only) Preference Shares of Rs.10 (Rupees ten) each to Rs.800,00,00,000 (Rupees eight hundred crores only) divided into 40,00,00,000 (forty crores only) Equity Shares of Rs.10 (Rupees ten) each and 40,00,00,000 (Forty crores) Non-Convertible Redeemable Preference Shares of Rs.10 (Rupees ten) each and consequently, the existing Clause V of the Memorandum of Association of the Company relating to the Share Capital be and is hereby altered by substituting the following new Clause in its place:-¹
- "The Authorized Share Capital of the Company is Rs.800,00,00,000 (Rupees eight hundred crores only) divided into 40,00,00,000 (Forty crores) Equity Shares of Rs. 10 (Rupees ten) each and 40,00,00,000 (Forty crores) Non-convertible Redeemable Preference Shares of Rs.10 (Rupees ten) each with the rights, privileges and conditions attached thereto as may be provided by the Articles of Association of the Company with power to increase or reduce the capital of the Company and to divide and / or sub-divide shares in the capital into several classes and to attach thereto respectively such preferential, guaranteed, qualified or special rights, privileges and conditions, as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may, for the time being, be provided by the Articles of Association of the Company, but, subject always to the provisions of the Companies Act, 1956 including any amendments thereto or re-enactments thereof."
20. 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 contained in Sections 80, 81 and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof), the relevant provisions of the Memorandum and Articles of Association of the Company and subject to, such approvals, consents, 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, consents, permissions and sanctions and subject to such terms, conditions and alterations, which the Board of Directors of the Company (hereinafter referred to as "the Board") be and is hereby authorized to accept, if it thinks fit, in the interest of the Company, consent of the Company be and is hereby given to issue, offer and allot, Preference Shares of the face value of Rs. 10 (Rupees ten) each of an aggregate nominal value, not exceeding Rs. 400 crores (Rupees four hundred crores only) exclusive of such premium, if any, as may be determined by the Board, in one or more offerings including private placement to Indian / foreign investors (whether institutions / banks), corporate bodies, trusts, mutual funds, local bodies or any other person including individuals and/or any combination thereof and whether or not such investors are members of the Company, on such terms and conditions and in such tranche as may be decided by the Board in its absolute discretion;"
- "RESOLVED FURTHER THAT, without prejudice to the generality of the above, the Board be and is hereby authorized to determine as to when the said Preference Shares are to be issued, the type or types of the Preference Shares to be issued, the types and classes of investors to whom the Preference Shares to be offered, the number and value of the Preference Shares to be issued in each tranche, utilization of the issue proceeds, the terms or combination of terms, subject to which the Preference Shares are to be issued (including combination of terms for Preference Shares issued at various points of time) including but not limited to the terms relating to rate of dividend, period of redemption, manner of redemption, premium on redemption or premature or early redemption at the option of the Company and/or the investors, terms for cumulation or otherwise of dividends and all such terms as are provided in offerings of like nature;"
- "RESOLVED FURTHER THAT, for the purpose of giving effect to the above Resolutions, the Board be and is hereby authorized to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may, in its absolute discretion, deem necessary or desirable and pay any fees and commission and incur expenses in relation thereto;"
- "RESOLVED FURTHER THAT, the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors of the Company to give effect to the aforesaid Resolutions."
21. 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 31 and all other applicable provisions, if any, of the Companies Act, 1956, all the Articles contained in the draft printed document submitted to this meeting be and are hereby approved and adopted, as the Articles of Association, in substitution for and to the entire exclusion of the existing Articles of Association of the Company;"
- RESOLVED FURTHER THAT the various provisions set out in the Articles of Association consequent upon the requirements stipulated in the Shareholders' Agreement dated 4th June 2002 between the Central Government and Reliance Petroinvestments Limited, the Strategic Partner who has purchased 26% of the equity shareholding of the Company from the Government of India shall be applicable on relevant matters only during the currency of the Shareholders' Agreement."

By Order of the Board of Directors

(A. Parthasarthy Naidu)
Company Secretary

Date: 23rd August, 2002

Registered Office:
P.O. Petrochemicals
District Vadodara
PIN 391 346

**NOTES:-**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a member. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. Members / Proxies should bring the Attendance Slip duly filled in for attending the meeting.
3. Explanatory Statement, pursuant to Section 173 (2) of the Companies Act, 1956, in respect of special business is annexed hereto.
4. All documents referred to are open for inspection at the Registered Office of the Company during office hours on all working days, (except Saturdays and Holidays) between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.
5. The Board of Directors, in their meeting held on 4th June, 2002, have recommended payment of dividend of Rs. 2 (two) per equity share for the year 2001-2002.
6. The Company has already notified closure of Register of Members and the Transfer Books from 3.9.2002 to 11.9.2002 (both days inclusive) for payment of dividend on equity shares. The Company will despatch the dividend warrants from 28th September, 2002 onwards.
7. Shareholders seeking any information with regard to the Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
8. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company, will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such members for change / deletion in such bank details. Further, instructions if any, already given by them in respect of shares held in physical form will not be automatically applicable to the dividend paid on shares held in electronic form. Members may therefore, give instructions regarding bank accounts in which they wish to receive dividend, to their Depository Participants.
9. Members are requested to inform the changes, if any, in their registered address along with their Bank Account Numbers, Name & Branch of Bank for remittance of dividend etc. to the Company's Registrars & Share Transfer Agents - MCS Limited, Neelam Apartment, 88, Sampatrao Colony, Alkapuri, Vadodara 390 007, on or before 2nd September, 2002.
10. Pursuant to the provisions contained in Section 205A of the Companies Act, 1956, as amended, the dividend remaining unclaimed for a period of seven years from the date(s) that may first become due for payment, will be transferred to the Investors' Education and Protection Fund (the Fund) of the Central Government, on the following dates:-

Financial Year	Dividend	Date
1995-1996	Interim	01.04.2003
	Final	06.11.2003
1996-1997	Final	07.11.2004
1997-1998	Final	10.11.2005
1998-1999	Final	10.11.2006
1999-2000	Final	09.11.2007
2000-2001	Final	24.10.2008

11. Shareholders who have not encashed their dividend warrants so far, for the aforesaid financial years, are requested to encash the same after due revalidation by Registrars & Transfer Agents as no claims shall lie against the Fund or the Company upon transfer of amounts to the Fund.
12. A brief profile of the persons proposed for appointment as Directors, in compliance with Corporate Governance Code as per the listing agreement, is annexed.
13. As per the provisions of the Income-tax Act, 1961 as amended by the Finance Act, 2002, tax shall be deducted at source if the gross dividend payable to a Resident Individual Shareholder exceeds Rs. 2500. Such tax shall not be deducted if the shareholder(s) furnish declaration in Form No. 15G, in duplicate, to the Registrars and Transfer Agents on or before 2nd September, 2002. Please note that it would not be possible for the Company to act upon 15G declarations received thereafter.
14. **Members are requested to inform the Registrars & Transfer Agents of the Company their Permanent Account Number (PAN)/ General Index Register Number (GIR), if any, allotted to them by the Income-tax Authorities, to be stated in the Tax Deduction Certificate.**
15. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to submit to the Registrars & Transfer Agents the details as required in Form 2B, which is attached for the purpose.
16. **Members are requested to bring their copy of the Annual Report to the meeting.**
17. Karvy Consultants Limited, Karvy House, 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad - 500 034 are the new Registrars and Transfer Agents appointed by the Board of directors of the Company w.e.f. 1st October, 2002. Members are requested to take note of the change and correspond at the above address in respect of all Share / Debenture / Fixed Deposit related issues.
18. Shri K.G. Ramanathan who was appointed as Additional Director at the Board Meeting held on 4th June 2002 has resigned from the Board of the Company w.e.f. 20th August, 2002. Shri Anil D. Ambani has been appointed as Additional Director on the Board of the Company, representing the Strategic Partner, w.e.f. 20th August, 2002.

**Annexure to the Notice:****EXPLANATORY STATEMENT**

The Explanatory Statements for items No. 3 to 21 of the accompanying notice set out herein above are as under:

Item No. 3

The Company was a Government Company within the meaning of Section 617 of the Companies Act, 1956 and in accordance with section 619(2) of the Act, the auditors were appointed by the Comptroller and Auditor General of India (C&AG). Consequent to the signing of Share Purchase Agreement, the shareholding of the Government has been reduced to 33.95%. Now that the Company has ceased to be a Government Company, its accounts are not subject to C&AG audit. In accordance with Section 224(2)(c) of the Companies Act, 1956, Deloitte Haskins & Sells, Chartered Accountants, Mumbai are proposed to be appointed as Statutory Auditors. As required, the auditors have forwarded Certificates to the Company stating that the appointment, if made, will be within the limit specified in sub-section (1-B) of Section 224 of the Companies Act, 1956. Further, they have confirmed that they are not disqualified to be appointed as Auditors under Section 226 of the Companies Act, 1956 and are not holding any securities of the Company. Having regard to the provisions of Section 224A of the Companies Act, 1956, the appointment of the auditors of the Company is required to be approved by a Special Resolution as not less than twenty-five per cent of the Company's subscribed Share Capital is held by Central Government.

Kantilal Patel & Co., Chartered Accountants, Ahmedabad, who had been re-appointed as Auditors by the C&AG, for the year 2001-2002 hold office till the conclusion of the 33rd Annual General Meeting. As per the terms of appointment by C&AG, the period of appointment of Kantilal Patel & Co., Chartered Accountants is valid upto the financial year 2001-2002.

The Company has received notice from a member of the Company under the provisions of section 225(1) of the Companies Act, proposing to appoint Deloitte Haskins & Sells, Chartered Accountants, Mumbai, as the statutory auditors of the Company to hold office from conclusion of the 33rd Annual General Meeting until the conclusion of the next Annual General Meeting. A copy of the notice has been duly forwarded to Kantilal Patel & Co., Chartered Accountants, Ahmedabad, the retiring auditors. As on the date of issue of this notice by the Company, the Company has not received any representation from the retiring auditors.

The Directors commend the resolution for members' approval.

None of the Directors of the Company is, in any way concerned or interested in the said Resolution.

Items No. 4 to 15

In terms of the provisions contained in the Companies Act, 1956, S/Shri Mukesh D. Ambani, Anil D. Ambani, Nikhil R. Meswani, Anand J. Jain, Kamal P. Nanavaty, S. K. Anand, Ashok Chawla, H. C. Gupta, R. S. Lodha, Shailesh V. Haribhakti, Lalit Bhasin and Sandeep H. Junnarkar hold office as Additional Directors until the conclusion of the ensuing Annual General Meeting. The Company has received Notices along with deposit of five hundred rupees for each of the directors, as aforesaid, under Section 257 of the Companies Act, 1956 from the Members signifying their intention to propose the appointment of above-named persons as Directors of the Company.

The disclosures to be made in compliance with the Listing Agreement in respect of above-named Directors are given in the Annexure forming part of this Notice.

The Directors commend the Resolutions for Members' approval as it is in the interest of the Company.

The above-named Directors may be individually deemed to be concerned or interested in the Resolution in relation to their respective appointments. In addition, Shri Mukesh D. Ambani and Shri Anil D. Ambani, being relatives inter se, may each be deemed to be interested in the resolution relating to the appointment of the other.

None of the other Directors are in any way concerned or interested in the said Resolutions.

Item No. 16

Shri S. K Anand was appointed by the Board of Directors as an Additional Director of the Company at its meeting held on 4th June, 2002 and holds office up to the date of the ensuing Annual General Meeting. The Company has received a Notice in writing from a Member proposing the candidature of Shri Anand for the office of Director of the Company under the provisions of Section 257 of the Companies Act, 1956.

Shri Anand is a Chemical Engineer by profession and is associated with the Company since 1971 in various capacities. Prior to disinvestment, he was appointed by the Government of India as a Director (Operations) and was over all in charge of the plant operations of the Company's three mega complexes at Vadodara, Nagothane and Dahej. He is a Managing Director with no remuneration in the Joint Venture Company - Gujarat Chemical Port Terminal Company Limited (GCPTCL). He is also a Director on the Board of Indian Petrovin Limited (IPL) and Effluents Channel Projects Limited.

Shri Anand is having wide experience in the implementation and operation of large size petrochemical complex. Keeping in view his expertise in the field of petrochemicals, the Board of Directors, at its meeting held on 4th June, 2002 appointed him as Wholtime director of the Company for a period of five years with effect from 4th June, 2002, subject to the approval of the shareholders at the Annual General Meeting. He fulfills the eligibility criteria set out under Part-I of Schedule XIII to the Companies Act, 1956.

The details of remuneration payable during the tenure of his appointment, determined by the Remuneration Committee constituted by the Board of Directors, are as under:

Salary	Rs.15 lakh per annum
Perquisites & Allowances	Rs.9 lakh per annum

Shri Anand shall be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses or allowances for utilization of gas, electricity, water, furnishing and repairs; medical reimbursement; leave travel concession for self and his family, including dependents; club fees, medical insurance and such other perquisites and / or allowances, up to the amount specified above, subject to overall ceiling of remuneration, stipulated in Sections 198 and 309 of the Companies Act, 1956. The said perquisites and allowances shall be



evaluated, wherever applicable, as per the Income-tax Act, 1961 or any Rules thereunder (including any statutory modifications or reenactment thereof, for the time being in force). However, the Company's contribution to Provident Fund, Superannuation or Annuity Fund, to the extent, these singly or together are not taxable under the Income-tax Act, 1961 and Gratuity payable and encashment of leave at the end of the tenure, as per the Rules of the Company, shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

Shareholders' approval is also sought for payment of a minimum remuneration by way of salary, perquisites and allowances not exceeding the limits specified under sub-paragraph (A) of Paragraph I of Section II of Part II of Schedule XIII to the Companies Act, 1956 to Shri Anand, where in any financial year closing after 31st March 2002, the Company has no profits or its profits are inadequate.

The Agreement may be terminated by either party (the Company or the Whole-Time-Director) by giving the other three months' prior notice of termination in writing.

The draft Agreement to be entered into by the Company with Shri Anand in respect of his appointment and remuneration payable to him contains the above terms and conditions.

The above may be treated as an abstract of the Agreement proposed to be entered into between the Company and Shri S. K. Anand pursuant to Section 302 of the Companies Act, 1956.

The draft Agreement to be entered into between the Company and Shri Anand is available for inspection by the Members of the Company at the Registered Office of the Company on any working day excluding Saturdays and Holidays up to the date of the ensuing Annual General Meeting between 11.00 a.m. and 1.00 p.m.

The Directors commend the Resolution for members' approval as it is in the interest of the Company.

Shri Anand may be deemed to be concerned or interested in the Resolution as it pertains to his appointment and remuneration payable to him. None of the other Directors of the Company, is, in any way, concerned or interested in the said Resolution.

Item No.17

The Company owns and operates three Petrochemical Complexes, a Naphtha fired Cracker at Vadodara and Gas based Complexes at Gandhar in Gujarat and Nagothane in Maharashtra. Pursuant to disinvestment, the Company is planning to expand the capacity at Gandhar Complex to global levels from the current four lakh MT to one Million MT and also to change the Company's Gas Crackers to Multi-feed Crackers as the Cracker Units at Gandhar and Nagothane are faced with a severe shortage of feed stock. The shift is primarily due to severe shortfall in the supply of natural gas, the basic feedstock for the Gas Cracker Units. The Company has been supplementing this short fall by importing the feedstock as well as intermediates and the immediate concern of the Company is to see how best it can procure the feedstock locally and reduce its dependence on imports. The investments required for the proposed operational changes and for general corporate purposes would run upto approximately Rs.7,000 crores. The projects envisaged are proposed to be financed through internal resources and commercial borrowings. Therefore, it is proposed to authorize the Board of Directors to borrow monies, which may exceed at any time the aggregate of the paid-up capital of the Company and its free reserves by a sum not exceeding Rs.7,000 crores, in rupee and / or equivalent foreign currency, in addition to the Company's paid-up capital and free reserves.

The Directors commend the Resolution for members' approval as it is in the interest of the Company.

None of the Directors of the Company is, in any way, concerned or interested in the Resolution.

Item No.18

The Company has sought approval under Section 293(1)(d) of the Companies Act, 1956, vide Item No.17 of this notice, to borrow any sum or sums of money from time to time from any one or more of the Banks and / or from any one or more persons, firms, Bodies Corporate or Financial Institutions, Multilateral agencies, Foreign Institutional Investors, Foreign Financial Institutions and from any other persons or combination thereof whether by way of over drafts, cash credit, advance or deposits, loans, debentures or bills discounting or otherwise.

The borrowings of the Company are in general required to be secured by suitable mortgage or charge on all or any of the movable or immovable properties of the company in such form, manner and ranking as may be determined by the Board of Directors of the Company from time to time, in consultation with lender(s).

The mortgage and/or charge by the Company of its movable and/or immovable properties and/or of the whole or any part of the undertaking(s) of the Company in favour of the Lender(s), with a power to take over the management of the business and concern of the Company in certain events of default by the Company, may be regarded as the disposal of the company's undertaking(s) within the meaning of Section 293(1)(a) of the companies Act, 1956. Hence it is necessary for the members to pass a resolution under the said Section.

The Directors commend this enabling resolution for approval of the shareholders.

None of the directors of the Company, is in any way, concerned or interested in the Resolution.

Items No. 19 and 20

The Company, with a view to augment resources for its projects, ongoing capital expenditure and other general corporate purposes, proposes to raise finance by way of issue, offer and allotment of Preference Shares up to an aggregate nominal value of Rs. 400 crores in one or more tranche in accordance with the provisions contained in Section 81(1A) and all other applicable provisions of the Companies Act, 1956. Detailed terms and conditions including the issue price, rate of dividend, premium, redemption period, etc. will be determined by the Board of Directors of the Company in consultation with the Lead Managers / Advisors / Consultants and/or depending upon the then prevailing market conditions. The proposed issue, as aforesaid will, if required, be subject to the approvals of the Government of India, Reserve Bank of India and other relevant authorities.

In order to enable the Company to issue Preference Shares as set out in Item No.20 of this notice up to the nominal value of Rs. 400 crores as and when deemed fit, it is proposed to have authorised preference share capital of Rs. 400 crores by increasing the total share capital from Rs. 500 crores to Rs. 800 crores and consequently, to alter Clause V of the Memorandum of Association, as set



out in item No.19 of the Notice in accordance with the provisions contained in Sections 16 and 94 of the Companies Act, 1956. A copy of the Memorandum & Articles of Association of the Company proposing the alterations is available for inspection during business hours on any working day at the Registered Office of the Company up to the date of the meeting.

The Board of Directors commend the Resolution(s) for members' approval as it is in the interest of the Company.

None of the Directors of the Company is, in any way, concerned or interested in the said Resolution(s).

Item No. 21

Pursuant to the decision of the Government of India to disinvest 26% out of the holding of 59.95% in the equity Share Capital of the Company, a tripartite Share Purchase Agreement ("the SPA") has been executed on 21st May 2002, by and between the President of India, Reliance Petroinvestments Limited, (a Reliance Group Company) - the Strategic Partner / Purchaser - and the Company (IPCL). A bipartite Shareholders' Agreement has also been executed on 4th June, 2002 by and between the President of India and Reliance Petroinvestments Limited. Consequent upon execution of these Agreements, the holding of the President of India, in the Share Capital of the Company, has been reduced to 33.95% after transfer of 26% of the shares to Reliance Petroinvestments Limited and the management control of the Company has been assumed by Reliance Petroinvestments Limited with effect from 4th June 2002 - "the Closing Date".

Clause 2.1 (d) (iv) of the SPA stipulates that the Government and the Purchaser shall use their best efforts to do all acts and cause the Company to do all acts for considering and approving the applicable amendments to the Articles of Association of the Company to give effect to the provisions of the Shareholders' Agreement on or shortly after the Closing Date. Thus, the alterations made in the Articles of Association, are intended to comply with the provisions of the said Agreements.

The Important Articles contained in the revised Articles of Association are as under:-

- a) The present Articles of Association are in addition to the Articles contained in Table "A" in so far as those Articles are not specifically excluded, modified or altered. **(Article 1)**
- b) Some of the existing definitions in the Articles, have been modified and a few new definitions such as 'Affiliate', 'business day', 'strategic partner' and 'shareholders' agreement' have been added to meet the requirement of the Shareholders' Agreement. **(Article 1)**
- c) The modified Articles governing share certificates also include provisions for compliance with the Depositories Act, 1996. **(Articles 15 to 19)**
- d) Articles governing transfer and transmission of shares have been redrafted for better clarity. **(Articles 35 to 44)**
- e) New Articles have been incorporated to facilitate issue, redemption of Preference Shares and conversion of shares into stock and vice versa and also to facilitate issue of share warrants. **(Articles 9, 10, 45 to 50)**
- f) Articles governing quorum of Directors' Meeting and Shareholders' Meeting have been modified to meet the requirement of Shareholders' Agreement. **(Articles 64 and 99)**
- g) Articles governing appointment of Directors, Managing Director, Whole-Time-Director, remuneration to Directors, have been suitably modified to meet the requirement of Shareholders' Agreement and the provisions of the Companies Act, 1956. **(Articles 89, 95, 96, 97 and 98)**
- h) Articles governing proceedings of Board of Directors, have been modified to meet the requirements of the Shareholders' Agreement. **(Articles 99 to 109)**
- i) Matters requiring affirmative vote of Government and the Strategic Partner at the general meeting and the Board meeting have been appropriately covered in the revised Articles to meet the requirements of the Shareholders' Agreement. **(Article 104)**
- j) A new Article under the head 'Capitalization' has been incorporated to facilitate issue of fully paid bonus shares, debentures, etc. **(Article 129)**
- k) Articles governing audit and appointment of Auditors have been suitably amended. **(Articles 140 to 142)**
- l) A new Article under the head 'Sole Selling Agents' has been incorporated to facilitate appointment of Sole Selling Agents. **(Article 143)**
- m) A new Article 158 under the head "Shareholders' Agreement" has been incorporated to notify the covenants during the currency of the Shareholders' Agreement between the Government and the Strategic Partner, to the shareholders.

The salient terms of the Shareholders' Agreement are set out in **Appendix 1** forming part of the Articles of Association, to notify the shareholders of their covenants.

A copy of the new Articles of Association is open for inspection of the members besides Shareholders' Agreement dated 4th June, 2002 during working days between 11.00 a.m. and 1.00 p.m. at the Registered Office of the Company up to the date of the meeting and would also be available at the meeting. Any member intending to have a copy of the draft new Articles of Association may write to the Company Secretary.

The Special Resolution set out in the Notice is intended for the purpose and is recommended for members' approval.

None of the Directors of the Company is, in any way, concerned or interested in the said Resolution.

By Order of the Board of Directors

(A. Parthasarthy Naidu)
Company Secretary

Date: 23rd August, 2002

Registered Office:
P. O. Petrochemicals
District Vadodara
PIN 391 346



Annexure to the Notice Brief Profile of Directors

(Corporate Governance Code Compliance)

1. **Shri Mukesh D. Ambani** is the Chairman and Managing Director of Reliance Industries Limited - India's largest business house, founded by Late Shri Dhirubhai H. Ambani (1932-2002). Shri Ambani holds a Bachelor's Degree in Chemical Engineering from University of Mumbai and MBA from Stanford University, USA. He joined Reliance in 1981 and initiated Reliance's backward integration from textiles into polyester fibres and further into petrochemicals. In this process, he directed the creation of 51 new, world-class manufacturing facilities involving diverse technologies that have raised Reliance's manufacturing capacities from less than a million tonnes to nine million tonnes per year. He is credited with having brought about financial innovations in the Indian capital markets. He pioneered India's first forays into overseas capital markets with international public offerings of global depository receipts, convertibles and bonds. He directed Reliance in its efforts to raise, since 1991 around US\$ 2 billion from overseas financial markets; with a 100 year yankee bond issue in January 1997 being the high point. He directed and led the creation of the world's largest grass root petroleum refinery at Jamnagar, India, with a capacity of 5,40,000 barrels a day integrated with petrochemicals, power generation, port and related infrastructure at an investment of Rs.25,000 crores (nearly US\$ 6 billion). He has steered the Reliance Group to its current status as India's leading textiles - petroleum - petrochemicals - power - telecom player. He is a member of Prime Minister's Advisory Council on Trade and Industry, Government of India, Council of Scientific and Industrial Research (CSIR), Board of Governors of National Council of Applied Economic Research (NCAER), Advisory Council of the Indian Banks' Association and is the Chairman, Board of Trustees of the Indian Institute of Software Engineering.

His achievements:

- Rated as one of 'India's Most Admired CEO's for the fourth consecutive year in the Business Barons - Taylor Nelson Sofres - Mode Survey, July, 2002 and also emerged as one of the Super Six world class Indian CEOs.
- Recipient of Ernst & Young Entrepreneur of the Year Award - 2000;
- Honoured by University Department of Chemical Technology (UDCT), University of Bombay as "Distinguished Alumnus of the Decade - December, 1999;
- Conferred the Businessman of the Year 1997 Award by Business India;
- Recognized as "Global Leader for Tomorrow" in 1994 by the World Economic Forum, Switzerland; and
- Named in "Times Roster of Young Leaders for the New Millennium" by Time magazine - December, 1994.

He is a Director on the Board of Reliance Petroleum Ltd., Reliance Europe Limited and Reliance Infocomm Limited.

2. **Shri Anil D. Ambani** is the Vice Chairman and Managing Director of Reliance Industries Limited, India's largest business house, founded by Late Shri Dhirubhai H. Ambani (1932-2002). Shri Ambani is a Bachelor of Science, University of Bombay and MBA from the Wharton School, University of Pennsylvania, USA. He joined Reliance in 1983 as Co-Chief Executive Officer. He is credited with having pioneered many financial innovations in the Indian capital markets. He pioneered India's first forays into overseas capital markets with international public offerings of global depository receipts, convertibles and bonds. He directed Reliance in its efforts to raise, since 1991, around US\$ 2 billion from overseas financial markets; with a 100 year yankee bond issue in January 1997 being the high point. He has steered the Reliance Group to its current status as India's leading textiles - petroleum - petrochemicals - power - telecom player. He is a Member of Wharton Board of Overseers.

His achievements:

- Rated as one of 'India's Most Admired CEOs' for the fourth consecutive year in the Business Barons - Taylor Nelson Sofres - Mode Survey, July 2002 and also emerged as one of the Super Six world class Indian CEOs.
- Awarded the First Wharton Indian Alumni Award by the Wharton India Economic Forum (WIEF) in recognition of his contribution to the establishment of Reliance as a global leader in many of its business areas, December 2001.
- Named amongst 'The Power 50 - India's 50 most powerful decision-makers in Politics, Business & Finance', Business Barons, August 1999.
- Selected by Asiaweek magazine for its list of 'Leaders of the Millennium in Business and Finance' and was introduced as the only 'new hero' in Business and Finance from India, June 1999.
- Leading business magazine Business Barons included him in its list of 'India's 25 Most Influential Business and Financial Leaders', June 1998.
- Conferred the 'Businessman of the Year 1997' award by India's leading business magazine Business India, December 1997.

He is the Managing Director of Reliance Petroleum Limited and a Director of Reliance Europe Limited.

3. **Shri Nikhil R. Meswani** a Chemical Engineer from University Department of Chemical Technology (UDCT), is the son of Shri Rasikbhai Meswani, one of the founder Directors of Reliance Industries Limited. He joined Reliance at an early age and since 1990, he is an Executive Director on the Board of Reliance, with overall responsibility of the entire petrochemicals division. He has contributed to the growth of Reliance Petrochemicals division to its present position as market leader in India and one amongst the top ten petrochemicals companies in the world. Shri Meswani is currently Chairman of Asian Chemical Fibre Industries Federation and President of Association of Synthetic Fibre Industry. He is also a Member of Young President's Organization (YPO).

4. **Shri Anand J. Jain** is a graduate of Mumbai University with a course in Risk Management at the London Business School. He is presently the Managing Director of Reliance Capital Limited and a Member of Board of Directors of Free Press House Ltd., Observer India Limited, Reliance Transport and Travels Ltd., and Reliance Capital Asset Management Ltd. He is on the Board of Trustees of Mumbai Port Trust. He is an active Member of Young President's Organization and is the Honorary Counsel of Mongolia in Mumbai, India and is a Member of Managing Council of HNH Hospital and Research Centre, Mumbai.