

# ANNUAL REPORT

## 1999 - 2000

REPORT  JUNCTION.COM

Manali Petrochemical Ltd.

### BOARD OF DIRECTORS

|                  |                          |
|------------------|--------------------------|
| DR. A.C. MUTHIAH | Chairman                 |
| M.H. AVADHANI    | Director                 |
| CHITTARANJAN DUA | Director                 |
| DR. EASO JOHN    | Director                 |
| C.V.R. PANIKAR   | Director                 |
| G. RAGHAVENDRAN  | Director                 |
| M. SIVAGNANAM    | Director                 |
| S.S. SIVAPRAKASA | Director                 |
| R. SUBRAMANIAM   | Director                 |
| S. RAMJEE        | Nominee of UTI           |
| N.C. PILLAI      | Managing Director        |
| G. RAMACHANDRAN  | Deputy Managing Director |
| K.K. RAJAGOPALAN | Director (Finance)       |

### COMPANY SECRETARY

P.T. DAYANANDAN

### AUDITORS

M/s. S.R. Batliboi & Co.  
Chennai

### DEPOSITORY

National Securities Depository Ltd.  
(NSDL)  
Central Depository Services  
(India) Limited (CDSL)

### BANKERS

State Bank of India  
State Bank of Hyderabad  
State Bank of Patiala  
Indian Bank  
Bank of India

### SHARES LISTED WITH

The Madras Stock Exchange Ltd.  
The Stock Exchange, Mumbai  
The Calcutta Stock Exchange  
Association Ltd.  
National Stock Exchange of India Ltd.

### REGISTRARS AND SHARE TRANSFER AGENT

M/s. Cameo Corporate Services Ltd.,  
"Subramanian Building"  
No. 1, Club House Road,  
Chennai - 600 002  
Ph: 8460390 - 394  
Fax : 8460129



## NOTICE TO SHAREHOLDERS

NOTICE is hereby given, that, the Fourteenth Annual General Meeting of the Members of Manali Petrochemical Ltd will be held at '**Kamaraj Arangam**', 574-A, Anna Salai, Teynampet, Chennai - 600 006, on **Saturday**, the **30th September 2000** at **10.35 A.M.** to transact the following business :

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March 2000 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Mr S.S. Sivaprakasa, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Mr. M.H. Avadhani, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in the place of Mr. C.V.R. Panikar, who retires by rotation and being eligible offers himself for re-appointment.
5. To consider and if thought fit, to pass with or without modification, the following Resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to Section 224A of the Companies Act, 1956, M/s. S. R. BATLIBOI & CO., Chartered Accountants, Chennai, the retiring Auditors, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on a remuneration to be fixed by the Board of Directors of the Company in connection with the Company's Audit."

### SPECIAL BUSINESS:

6. To consider and if thought fit to pass with or without modification, the following Resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT Mr. G. Ramachandran, whose term of office as Additional Director of

the Company expires at this Annual General Meeting be and is hereby appointed Director of the Company, whose period of office shall not be liable to retirement by rotation."

7. To consider and if thought fit, to pass with or without modification, the following Resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to Article 146 of the Articles of Association of the Company and the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 [including any statutory modifications and / or re-enactments of the Companies Act and / or any notification which the Central Government may issue from time to time] and subject to the approval of the Central Government, if necessary and Financial Institutions and such other approvals as may be required and such alteration/modification, if any, that may be effected by the above mentioned bodies in that behalf, approval of the Members be and is hereby accorded for the appointment of Mr. G. Ramachandran, as Whole Time Director of the Company for a period of 5 years with effect from 5.2.2000 and designate him as Deputy Managing Director on the terms and conditions of remuneration as set out in the Explanatory Statement annexed hereto."

"RESOLVED FURTHER THAT in the event of any statutory amendment or relaxation to Schedule XIII or any provisions of Companies Act and to Income Tax Act, Income Tax Rules or of any notification under the aforesaid Acts / Rules, the Board of Directors of the Company be and is hereby authorised to alter and vary the terms and conditions of appointment and increase the remuneration and to sign / execute necessary agreement, deeds, etc. and to take all such steps, deeds, matters and things as may be considered necessary on behalf of the Company to give effect to the above resolution."

8. To consider and if thought fit, to pass with or without modification, the following Resolution as an ORDINARY RESOLUTION:  
  
"RESOLVED THAT Mr. K.K. Rajagopalan, whose term of office as Additional Director of the Company expires at this Annual General Meeting be and is hereby appointed Director of the Company, whose period of office shall be liable to retirement by rotation."
9. To consider and if thought fit, to pass with or without modification, the following Resolution as a SPECIAL RESOLUTION:  
  
"RESOLVED THAT pursuant to Article 146 of the Articles of Association of the Company and the provisions of Sections 198, 269, 309, 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications and / or re-enactments of the Companies Act and / or any notification which the Central Government may issue from time to time) and subject to the approval of the Central Government, if necessary, and Financial Institutions and such other approvals as may be required and such alteration / modification, if any, that may be effected by the above mentioned bodies in that behalf, approval of the Members be and is hereby accorded for the appointment of Mr. K.K. Rajagopalan, Whole Time Director in charge of Finance of the Company for a period of 5 years with effect from 20.4.2000 on the terms and conditions of remuneration as set out in the Explanatory Statement annexed hereto."  
  
"RESOLVED FURTHER THAT in the event of any statutory amendment or relaxation to Schedule XIII or any provisions of Companies Act and to Income Tax Act, Income Tax Rules or of any notification under the aforesaid Acts/Rules, the Board of Directors of the Company be and is hereby authorised to alter and vary the terms and conditions of appointment and increase the remuneration and to sign / execute necessary agreement, deeds, etc. and to take all such steps, deeds, matters and things as may be considered necessary on behalf of the Company to give effect to the above resolution."
10. To consider and if thought fit, to pass with or without modification the following Resolution as an ORDINARY RESOLUTION:  
  
"RESOLVED THAT pursuant to the provisions of Section 293(1)(c) of the Companies Act, 1956 and other applicable provisions, if any, a sum of Rs.1,25,000/- (Rupees one lakh twenty five thousands only) contributed by the Company towards Kargil Relief Fund as donation, be and is hereby approved."  
  
"RESOLVED FURTHER THAT the action of the Directors in having contributed the amount towards Kargil Relief Fund, in view of urgency, be and is hereby ratified."
11. To consider and if thought fit, to pass with or without modification, the following Resolution as an ORDINARY RESOLUTION:  
  
"RESOLVED THAT the Authorised Share Capital of the Company be and is hereby increased from Rs.70,00,00,000/- (Rupees Seventy crores only) consisting of 7,00,00,000 Equity shares of Rs.10/- each to Rs.120,00,00,000/- (Rupees one hundred and twenty crores only) consisting of 12,00,00,000 Equity Shares of Rs.10/- each by creation of additional 5,00,00,000 Equity shares of Rs.10/- each."
12. To consider and if thought fit, to pass with or without modification, the following Resolution as an ORDINARY RESOLUTION:  
  
"RESOLVED THAT in existing Clause V of the Memorandum of association of the Company, the following words "The Authorised Share Capital of the Company is Rs.120,00,00,000/- (Rupees one hundred and twenty crores only) divided into 12,00,00,000 (Twelve crores only) Equity shares of Rs.10/- each" be substituted for the existing words "The Authorised Share Capital of the Company is Rs.70,00,00,000/- (Rupees seventy crores only) divided into 7,00,00,000 (Seven crores) Equity shares of Rs.10/- each."



13. To consider and if thought fit, to pass with or without modification, the following Resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT in existing Article 4 of the Articles of Association of the Company, the following words "The Authorised Share Capital of the Company is Rs.120,00,00,000/- (Rupees one hundred and twenty crores only) divided into 12,00,00,000 (Twelve crores only) Equity shares of Rs.10/- each" be substituted for the existing words "The Authorised Share Capital of the Company is Rs.70,00,00,000/- (Rupees seventy crores only) divided into 7,00,00,000 (Seven crores) Equity shares of Rs.10/- each."

14. To consider and if thought fit, to pass with or without modification, the following Resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT in accordance with the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof) and the Articles of Association of the Company and subject to approval of the lenders, if necessary and requisite sanction by the Hon'ble High Court of Madras under Section 391 and 394 of the Companies Act, 1956, of the arrangement, embodied in the Scheme of Amalgamation, of SPIC Organics Ltd and Manali Petrochemical Ltd, and subject to other requisite consents and approvals, if any, to be obtained, and subject to such conditions and modifications as may be prescribed by such other authorities while granting such approvals, consents, permissions and sanctions, and agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee which the Board may have constituted or may hereinafter constitute to exercise its powers including the powers conferred by this resolution), the consent of the Company be and is hereby accorded to the Board of Directors of the Company to

issue, offer and allot 4,86,08,400 Equity Shares of Rs.10/- each of the aggregate nominal value of Rs.48,60,84,000/- credited as fully paid up at par to the Members of SPIC Organics Ltd whose names appear in the Register of Members maintained by SPIC Organics Ltd as on a Record Date to be decided by the Board of Directors of the Company, in the proportion of **ONE** Equity share of Rs.10/- each in Manali Petrochemical Ltd, credited as fully paid up for every **ONE** Equity share of Rs.10/- each, fully paid-up, and held by them in SPIC Organics Ltd, as embodied in the said Scheme of Amalgamation."

"RESOLVED FURTHER THAT the issue and allotment of new Equity Shares to NRIs, OCBs, FIIs, shall be subject to the approval of Reserve Bank of India under Foreign Exchange Management Act, 1999."

"RESOLVED FURTHER THAT the said new Equity Shares to be issued shall be subject to the Memorandum and Articles of Association of the Company and shall rank in all respects *pari passu* with the existing equity shares of the Company save and except, that, the new equity shares shall qualify for dividends, if any, which may be declared for the financial year in which the said Equity Shares are allotted and for subsequent financial years, in proportion to the capital for the time being paid up and pro rata for the period during which such capital is paid up, unless directed by SEBI or Stock Exchange in a different manner."

"RESOLVED FURTHER THAT no letters of allotment will be issued to the allottees of the equity shares and that the share certificates in respect of the new equity shares to be allotted as fully paid equity shares as aforesaid shall be completed and be ready for delivery within three months from the respective dates of allotment thereof."

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution the Board be and is hereby authorised by the



Members to do all such acts, deeds, matters and things and to settle all questions and difficulties as it may, in its absolute discretion deem fit, without being required to seek any further consent or approval of members or otherwise."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to such

of those executives/officers of the Company as in their absolute discretion deem fit to give effect to the above resolutions."

Registered Office :  
SPIC CENTRE  
97, Mount Road,  
Guindy,  
Chennai 600 032.  
29th June, 2000

By Order of the Board

**P.T. DAYANANDAN**  
Company Secretary

#### NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll to vote instead of himself and a proxy need not be a Member of the Company.
2. The proxies in order to be valid must be received by the Company at its Principal Office of the Company at SPIC CENTRE Annexe, 6th Floor, 97, Mount Road, Guindy, Chennai - 600 032, not less than 48 hours before the commencement of meeting.
3. Relevant Explanatory Statement of material facts pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item Nos. 5 to 14 of the Notice is annexed hereto.
4. Members / Proxies should bring the Attendance slip sent herewith, duly filled in and signed and hand over the same at the entrance of the hall for attending the meeting and Members who hold shares in the dematerialised form, are requested to indicate without fail their DP ID and Client ID numbers in Attendance Slips. Members are requested to bring their copies of the Annual Report with them.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from 7.9.2000 to 30.9.2000 (both days inclusive).

#### EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

##### Item No.5

As per Section 224-A of the Companies Act, 1956, if 25% or more of the subscribed capital of the Company is held by the Central or State Government, Public Financial Institutions or Nationalised Banks or General Insurance Companies whether singly or in any combination, the appointment or re-appointment of the Auditors at each Annual General Meeting shall be made by a Special Resolution. Since more than 25% of the Subscribed Capital of the Company is held by Public Financial Institutions, the

re-appointment of Auditors has to be made by a Special Resolution and accordingly the Special Resolution as set out in item No.5 is recommended for adoption by the Members.

##### Memorandum of Interest:

None of the Directors of the Company is interested or concerned in the above resolution.

##### Item No.6 & 7

The Board at its meeting held on 5.2.2000 co-opted Mr. G. Ramachandran as a Director pursuant to Article 97 of the Articles of



Association of the Company. In terms of Section 260 of the Companies Act 1956, read with Article 97, he holds office upto the date of this Annual General Meeting. The Company has received a notice in writing from a Member under Section 257 of the Companies Act, 1956 along with a deposit of Rs.500/- as required under this Section signifying his intention to propose the appointment of Mr. G. Ramachandran as Director of the Company.

Further, the Board at its meeting held on 5.2.2000 subject to the approval of the Company in General Meeting also resolved to appoint Mr. G. Ramachandran as Whole Time Director of the Company for a period of 5 years effect from 5.2.2000 and designated him as Deputy Managing Director.

Mr. G. Ramachandran is a Chemical Engineer with a post graduate Degree in Business Administration and possesses over 25 years of industrial experience in fertilizer and petrochemical industries. He is involved in the development and setting up of the project right from its inception. He was Executive Director of Manali Petrochemical Ltd. before his elevation as Deputy Managing Director. Mr. G. Ramachandran worked for SPIC for a period of 16 years before joining MPL on 1.8.1989. He has rich experience in design, commissioning and operation of large fertilizer and petrochemical plants. The details of terms of remuneration of Mr. G. Ramachandran, Deputy Managing Director of the Company are as follows:

- 1) Salary  
Rs. 45,000/- (Rupees forty five thousand only) per month including dearness allowance.
- 2) Commission or Special Allowance not exceeding the total annual salary
- 3) Perquisites  
Perquisites shall be allowed in addition to both salary and commission or special allowance. However, it shall be restricted to an amount equal to the annual salary. Perquisites are presently classified as follows:-

- i) Housing / House Rent Allowance:  
The expenditure incurred by the Company will be subject to a ceiling of 60% of the salary.
  - ii) Gas, Electricity, Water and Furnishings:  
The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962.
  - iii) Medical Reimbursement:  
Expenses incurred for him and his family.
  - iv) Leave and Leave Travel Concession:  
Leave as per Rules of the Company including encashment of leave. Leave Travel Concession for self and family once a year incurred in accordance with the Rules of the Company.
  - v) Club Fees:  
Fees of clubs subject to a maximum of two clubs.
  - vi) Personal Accident Insurance:  
Personal Accident Insurance of an amount, the annual premium of which does not exceed Rs.4,000/-.
- For the purpose of calculating the above ceiling, perquisites will be evaluated as per the Income Tax Rules, wherever applicable. In the absence of any such rule, perquisites shall be evaluated at actual cost. However, the Board will have liberty to amend the ceiling of the each of the above perquisites so as not to exceed the limit of annual salary or to allow any other perquisite.
- 4) Other payments and provisions, which shall not be included in the computation of the ceiling on remuneration:
    - i) Contribution to Superannuation Fund and towards Provident Fund:  
Contribution towards Provident Fund will be in accordance with the Provident Fund Rules of the Company from time

to time. Contribution to Pension / Superannuation Fund together with Provident Fund shall not exceed the limit as laid down in the Income Tax-Rules 1962. Contribution to Provident Fund, Superannuation Fund and Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act / Rules / Notifications.

- ii) Gratuity:  
Gratuity payable shall not exceed one half month's salary for each completed year of service.
  - iii) Encashment of leave.
  - iv) Car:  
Provision of Company's car for business and personal use.
  - v) Telephone:  
Provision of telephone at residence.
5. Reimbursement of expenses :
- i) Entertainment expenses:  
Reimbursement of entertainment expenses actually and properly incurred for the business of the Company subject to a reasonable ceiling as may be fixed from time to time by Board.
  - ii) Reimbursement of travelling expenses actually and properly incurred for the business of the Company subject to a reasonable ceiling as may be fixed from time to time by Board.

#### **Minimum Remuneration:**

In the event of loss, absence or inadequacy of profits in any financial year during the currency of tenure of Mr G. Ramachandran, the remuneration aforesaid shall be the minimum remuneration payable to him. However, any excess over the limits on minimum remuneration prescribed under the Companies Act, 1956, read with Schedule XIII to the Companies Act, 1956, shall be payable to Mr. G. Ramachandran with

the approval of the Central Government, if necessary.

The Board therefore recommends passing of ordinary resolutions as contained under item No.6 & 7 of the notice.

#### **Memorandum of Interest:**

Excepting Mr G. Ramachandran, Dy. Managing Director to the extent of remuneration payable to him, none of the Directors of the Company is interested or concerned in the above resolution.

#### **Item No.8 & 9**

The Board at its meeting held on 5.2.2000 co-opted Mr. K.K. Rajagopalan as a Director pursuant to Article 97 of the Articles of Association of the Company. Earlier he was working as Executive Director (Finance) of M/s. SPIC Ltd. Mr. K.K. Rajagopalan who is an engineering graduate with post graduation in Management from Indian Institute of Management, Bangalore, with specialisation in Finance, carries with him over 27 years of industrial experience in various functions. The Company has received a notice in writing from a Member under Section 257 of the Companies Act, 1956 along with a deposit of Rs.500/- as required under this Section, signifying his intention to propose the appointment of Mr. K.K. Rajagopalan as Director of the Company.

Further the Board at its meeting held on 5.2.2000 subject to the approval of the Company in General Meeting also resolved to appoint Mr. K.K. Rajagopalan as Whole Time Director in charge of Finance of the Company for a period of 5 years with effect from 20.4.2000 (i.e. after relinquishment of Whole Time Director (Finance), Mr. G. Parthasarathy). The details of the terms of remuneration of Mr. K.K. Rajagopalan, Whole Time Director (Finance) of the Company are as follows:

- 1) Salary  
Rs.35,000/- (Rupees thirty five thousand only) per month including dearness allowance.
- 2) Commission or Special Allowance not exceeding the total annual salary.





### 3) Perquisites

Perquisites shall be allowed in addition to both salary and commission or special allowance. However, it shall be restricted to an amount equal to the annual salary. Perquisites are presently classified as follows:-

- i) **Housing/House Rent Allowance:**  
The expenditure incurred by the Company will be subject to a ceiling of 60% of the salary.
- ii) **Gas, Electricity, Water and Furnishings:**  
The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962.
- iii) **Medical Reimbursement:**  
Expenses incurred for him and his family.
- iv) **Leave and Leave Travel Concession:**  
Leave as per Rules of the Company including encashment of leave. Leave Travel Concession for self and family once a year incurred in accordance with the Rules of the Company.
- v) **Club Fees:**  
Fees of clubs subject to a maximum of two clubs.
- vi) **Personal Accident Insurance:**  
Personal Accident Insurance of an amount, the annual premium of which does not exceed Rs.4,000/-

For the purpose of calculating the above ceiling, perquisites will be evaluated as per the Income Tax Rules, wherever applicable. In the absence of any such rule, perquisites shall be evaluated at actual cost. However, the Board will have liberty to amend the ceiling of the each of the above perquisites so as not to exceed the limit of annual salary or to allow any other perquisite.

### 4) Other payments and provisions, which shall not be included in the computation of the ceiling on remuneration:

- i) **Contribution to Superannuation Fund and towards Provident Fund:**

Contribution towards Provident Fund will be in accordance with the Provident Fund rules of the Company from time to time. Contribution to Pension / Superannuation Fund together with Provident Fund shall not exceed the limit as laid down in the Income Tax Rules 1962. Contribution to Provident Fund, Superannuation Fund and Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act / Rules / Notifications.

- ii) **Gratuity:**  
Gratuity payable shall not exceed one half month's salary for each completed year of service.
- iii) **Encashment of leave.**
- iv) **Car:**  
Provision of Company's car for business and personal use.
- v) **Telephone:**  
Provision of telephone at residence.

### 5) Reimbursement of expenses:

- i) **Entertainment expenses:**  
Reimbursement of entertainment expenses actually and properly incurred for the business of the Company, subject to a reasonable ceiling as may be fixed from time to time by the Board.
- ii) **Reimbursement of travelling expenses**  
actually and properly incurred for the business of the Company subject to a reasonable ceiling as may be fixed from time to time by Board.

**Minimum Remuneration:**

In the event of loss, absence or inadequacy of profit in any financial year during the currency of tenure of Mr. K.K. Rajagopalan, the remuneration aforesaid shall be the minimum remuneration payable to him. However, any excess over the limits on minimum remuneration prescribed under the Companies Act, 1956, read with Schedule XIII to the Companies Act, 1956 shall be payable to Mr. K.K. Rajagopalan with the approval of the Central Government, if necessary.

The Board therefore recommends passing of the resolutions as contained under item No.8 & 9 of the notice.

**Memorandum of Interest:**

Excepting Mr. K.K. Rajagopalan, Whole Time Director (Finance) to the extent of remuneration payable to him, none of the Directors of the Company is interested or concerned in the above resolution.

**Item No.10**

In response to the appeal made by the Prime Minister of India to donate liberally for the cause of exigencies arose out of Kargil situation, the Company has made a contribution of a sum of Rs. 1,25,000/- towards Kargil Relief Fund. The approval of the Members is sought for the aforesaid contribution made by the Company and the Board of Directors recommends the resolution for adoption.

**Memorandum of Interest:**

None of the Directors of the Company is interested or concerned in the above resolution.

**Item Nos. 11,12 & 13**

The present Authorised Share Capital of the Company is Rs.70,00,00,000/- (Rupees Seventy crores only) divided into 7,00,00,000 (Seven crores) Equity shares of Rs.10/- each.

In view of the proposed issue of equity shares to the Members of SPIC Organics Ltd (SORL) and consequent to the Scheme of Amalgamation of SORL with MPL, which is subject to requisite approvals, the Authorised Share Capital of the Company is required to be increased by creation of additional 5,00,00,000 equity shares of Rs.10/- each for the purpose of issue of shares

of the Company at the relevant time. The Board recommends the resolutions as set out in Item Nos. 11, 12 & 13 for approval of the Members.

**Memorandum of Interest:**

None of the Directors of the Company is interested or concerned in the above resolution.

**Item No. 14**

Pursuant to the Scheme of Amalgamation of SORL with MPL and arising out of the same, equity shares are to be issued to the Members of M/s. SPIC Organics Ltd. It is therefore proposed to pass a special resolution as required under Section 81(1A) of the Companies Act, 1956. After the proposed issue and allotment of 4,86,08,400 equity shares of Rs.10/- each to the Members of SPIC Organics Ltd., the control over the Company would continue to remain with the existing promoter viz., M/s. Southern Petrochemical Industries Corporation Limited (SPIC). The Scheme of Amalgamation and the issue of equity shares to the Members of M/s. SPIC Organics Ltd., are subject to approval of High Court of Madras. After such approval of Scheme of Amalgamation, M/s. SPIC presently holding 26.27% and 54.64% in MPL and SORL respectively, will have the shareholding of 38.29%, while TIDCO, who hold 15.38% in SORL only, will have shareholding of 6.51% of the combined Share Capital.

**Memorandum of Interest:**

Dr. A.C. Muthiah, Chairman & Mr. N.C. Pillai, Managing Director are deemed to be interested in these resolution.

**Inspection of Documents:**

The documents referred to in this Notice / Explanatory Statement are open for inspection by any member at the Registered office of the Company during the Company's business hours on any working day upto the date of Annual General Meeting.

Registered Office :  
SPIC CENTRE  
97, Mount Road,  
Guindy,  
Chennai 600 032.  
29th June, 2000

By Order of the Board  
  
**P.T. DAYANANDAN**  
Company Secretary