

THE MODERN MILLS LIMITED

**SIXTY-EIGHTH
ANNUAL REPORT
2001-2002**

The Modern Mills Limited

BOARD OF DIRECTORS

VIJAY KUMAR JATIA	<i>Chairman & Managing Director</i>
RUSI N. SETHNA	
ANAND DIDWANIA	
R.R. DOSHI	<i>(Appointed as an Additional Director w.e.f. 25-01-2002)</i>
J. F. POCHKHANAWALLA	<i>(Appointed as an Additional Director w.e.f. 25-01-2002)</i>
PRADIP KUMAR BUBNA	<i>(Appointed as an Additional Director w.e.f. 29-04-2002)</i>
M.P. JATIA	<i>(Resigned w.e.f. 01-01-2002)</i>
G.V. SIRUR	<i>(Expired on 28-12-2001)</i>
S.M.JATIA	<i>(Resigned w.e.f. 31-05-2001)</i>

COMPANY SECRETARY

U.A. PATEL

BANKERS

THE VYSYA BANK LTD.

AUDITORS

K.S. AIYAR & COMPANY

REGISTERED OFFICE, TEXTILE DIVISION & REAL ESTATE DIVISION

101, K. Khadye Marg,
Mahalaxmi,
MUMBAI 400 011.

SHARE TRANSFER AGENTS

M/S. SATELLITE CORPORATE SERVICES PRIVATE LTD.,
A-60/1223, Azad Nagar II,
Veera Desai Road,
Andheri (West),
MUMBAI 400 053.



THE MODERN MILLS LIMITED

Registered Office : 101, K. Khadye Marg, Mahalaxmi, Mumbai - 400 011.

NOTICE PURSUANT TO SECTION 192A(2) OF THE COMPANIES ACT, 1956

Sub: Amendment to Objects Clause of the Memorandum of Association of the Company

The Member(s),

Under the provisions of Sections 13, 16, 17 and all other applicable provisions of the Companies Act, 1956 it is necessary to obtain the approval of the shareholders of the Company for amending the Objects Clause of the Memorandum of Association of the Company by means of a Special Resolution. The Board of Directors of the Company at its meeting held on 31st July, 2002 has approved the proposal to amend the Objects Clause. The Company is therefore seeking your consent for such proposal, as contained in the draft resolution, setting out all material facts and the reasons for which such resolution is proposed is also annexed and reproduced overleaf.

As per Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, as amended, the consent of the members for the above purpose is required to be obtained by means of a Postal Ballot. Accordingly, we are enclosing herewith the draft Special Resolution along with the Explanatory Statement and Postal Ballot Form for your consideration. The Company has appointed Mr. P.N. Parikh, a Practicing Company Secretary as Scrutiniser for conducting the Postal Ballot process in a fair and transparent manner.

We request you to carefully read the instructions printed on the Postal Ballot Form and return the Ballot Form duly completed in the attached self-addressed (postage pre-paid) envelope so as to reach the Scrutiniser **on or before 20th September, 2002.**

The Scrutiniser will submit his report to the Chairman of the Company after completion of the scrutiny and the results of the Postal Ballot will be announced by the Chairman at the ensuing Annual General Meeting of the Company scheduled to be held on Monday, the 30th September, 2002. The resolution will be declared as passed at the said Annual General Meeting, if carried/passed by votes cast in favour being three times in number as to the total votes cast against.

Mr. Vijay Kumar Jatia, Chairman & Managing Director and Mr. Ubaid A. Patel, Secretary of the Company are severally authorised by the Board to do all necessary acts, deeds and things and are made responsible for the conduct of the Postal Ballot.

By Order of the Board of Directors

Place : Mumbai
Date : 31st July, 2002

UBAID A. PATEL
Company Secretary

Encl :

1. Draft Special Resolution with Explanatory Statement
2. Postal Ballot Form and self-addressed postage pre-paid envelope



THE MODERN MILLS LIMITED

Registered Office : 101, K. Khadye Marg, Mahalaxmi, Mumbai - 400 011.

DRAFT SPECIAL RESOLUTION

To consider and if thought fit to pass with or without modifications, the following Resolution as a **Special Resolution** amending the Company's Memorandum of Association in terms of Item No. 10 of the Notice convening the Annual General Meeting being passed :

"RESOLVED THAT, pursuant to the provisions of Sections 13, 16, 17 and all other applicable provisions of the Companies Act, 1956, and subject to the provisions of Memorandum and Articles of Association of the Company, the Object Clause of the Memorandum of Association of the Company be and is hereby altered and the following Sub-clauses numbered as Sub-clauses 33 to 40 be and are hereby inserted after existing Sub-clause 32 of the Objects Clause of the Memorandum of Association of the Company."

- (33) To establish, found, run, manage, conduct, assist, or otherwise subsidise all types of schools, colleges, educational institutions, research laboratories/centres, workshops, libraries, training centers, play schools, technical schools and colleges, management colleges and institutions, for imparting education, training and skills in all streams of arts, science, commerce, engineering, computer engineering, telecommunication, information technology, marine engineering, electrical and electronics engineering, mechanical engineering, civil engineering, environmental engineering, shipping, aeronautics engineering, space engineering, aircraft engineering, aviation engineering, digital technology, acting and sound recording, fashion designing, hotel management, catering, tours and travels management, hospital management, medicines, pharmacy, veterinary science, bio-technology, genetic engineering, food technology, health science and for that purpose to give loans, scholarships, salaries, fees and honoraria and to enter into joint venture, franchise agreement and/or Memorandum of Understanding with any other entity.
- (34) To carry on the business of manufacturing, importing, exporting, selling, distributing marketing all types of food products, convenient food and food products, formulated food products dairy based products, milk and milk products, skimmed milk powder, ghee, artificial ghee, vegetable ghee, ice cream, mix powder, complete instant coffee, complete instant tea, instant mixes and other food preparations, vegetable and vegetable products, cereal products, fruits, fruit pulps, fruit products, canned fruits, tinned fruits and food, dehydrated products, cold cuts, farm products, meat and meat products, fish and fish products, poultry and poultry products, animal products, cattle feeds, sea food products, marine products, cashews and cashew products, cordials, condiments, aerated and mineral waters, baby foods, spices, cardamom, tea, coffee, plantation crops canned food products, starch, soya products, protein foods, malts and malted foods, beverages and other edible products, confectionery, chocolates, protein hydrolyses, concentrates and isolates and products based on them, health foods, sports foods, copra, edible fats and oils, therapeutics foods, diabetic foods, medicinal foods, vitamin foods, soft drinks including concentrates, syrups, sherbets, ketch-ups, squashes, crushes, jams, jellies, custard, caramel, fruit juices, pickles, synthetic foods and sausages, table delicacies, loaves, breads, bakery products and carbohydrates products, snacks, wafers, sandwiches, desserts, mixes, com syrups, soups.
- (35) To commence, carry on and undertake crushing, grinding, milling, treating, preparing, cold storing, freezing, drying, sterilizations, evaporation, concentration, irradiation, radio sterilization, conditioning, ripening, pickling, distillation, fractionation, centrifugation, aseptic packing, defatting, extruding, deodorizing, frying, deep fat frying, autolysing, hydrolyzing, treating with enzymes for conversion, dehydrating, drying, pouring, hydro-genating, shortenings, separating, fermenting, extracting, refining, preserving, storing, warehousing, baking, tinning, deriving, creating, flavouring, confectioning, hysting, bottling, feeding, fattening, refilling, farming, growing, cultivating, nurseries plants transplantation agronomy, boiling, blending, labeling, researching, marketing, developing, stockist, wholesaling, retailing, representing, commission agent, brokering, and deal with all kind of food products,

manufacture, produce, resulting or derived in whole or in part, whether in glass, tin, polythene bags, or other sanitary packages for human or animal consumption and for these purposes to acquire, take over, purchase, own, hold, take or hire, use, start, run, rent, erect, maintain, manage, administer, buy, sell, dispose off, assign, sublet, lease, mortgage, develop, exchange, or transfer, land, building, factories, workshops, industrial shed, foundries, mills, equipments, undertaking moveable and immoveable properties, business, absolutely either in whole or in part.

- (36) To carry on the business of exploring, importing, exporting, prospecting and boring, for extracting, pumping, drawing, transporting, refining and dealing in natural gases, petroleum and other mineral oils and fuels and of manufacturing petroleum products and by-products and to construct, lay down and maintain pipelines, pumping stations and other appliances for the generation, accumulation, distribution and transportation of oil, natural gases, petroleum and other products.
- (37) To carry on the business of establishing, running, maintaining, providing, letting, hiring, operating, leasing, servicing malls, hotels, motels, restaurants, cafeterias, lodgings, inn house keepers, taverns, refreshment rooms, resorts, club houses, canteens, buffets services, holiday houses, guest houses, beer bars, permit rooms, night clubs, discotheques, music halls, convention halls, meeting halls, other halls, concert halls, ball rooms, health clubs, gymnasiums, yoga centres, exhibition centres, art galleries, cinematographic centres and theatres, video parlors, video game centres, studios, recording rooms, recreation rooms, public amusement centres, amusement parks, theme parks, sound recording centres, performance centres, game show centres, play schools, radio service providers, T.V. Channel owners and operators, T.V. Show producers, T.V. Serial producers, golf courses, bowling greens, skating rings, swimming pools, boating and padding pools, car parks, marquees, stages.
- (38) To plant, cultivate, grow, produce, farm, buy, sell, lease, raise, fell, cut, market, gather, extract, manufacture, purchase or otherwise in any manner, handle and deal in, grass, timber, wood, bamboo, straw, plants, creepers, flowers, forest products, vegetable and vegetable products, fibre and fibre products, cotton, jute, flex, hemp, sugarcane, leather, asbestos, water, hyacinth, jute stock, rags, waste, waste-paper pulp, board, food grains, cereals, tea, fruits, nuts, in their raw form, their products, by-products and/or processed form and to own, lease, hire, let, maintain & manage, lands, plantations, farms, nurseries, fields and packaging units.
- (39) To acquire, build, construct, alter, setting-up, manufacture, sell, supply, maintain and manage, deal in all kinds of power generation systems including wind mills and turbines, hydro-turbines, thermal turbines, solar modules, in all its branches and to undertake commercial generation of electric power connected to the grid system through the development of wind farms and to carry on the business of a General Electric Power and Gas Company and to construct, lay down, establish, fix and carry out all necessary power stations, cables, wires, accumulators, lamps and works and to generate, accumulate, distribute and supply electricity to light cities, towns, streets, docks, markets, theatres, buildings and places, both public and private.
- (40) To establish and run hospitals, health centres, nature cure centres, diagnostic centres, dispensaries, clinics, poly-clinics, blood bank service centres, nursing homes, maternity homes, crèches, child welfare and family planning centres, and to supply or provide utility articles and services to the patients, invalids and others and to aid medical personnel for medical relief.

By Order of the Board of Directors

Place : Mumbai
Date : 31st July, 2002

UBAID A. PATEL
Company Secretary

EXPLANATORY STATEMENT

As required pursuant to Sections 173 and 192 A (2) of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to Special Resolution mentioned above.

Your Company is engaged in the business of spinning of yarn and development of real estate.

The Board of Directors was desirous of diversifying into any other line of business having growth potential. The Board has decided to diversify in to the activities as per proposed sub-clauses No. 33 to 40, being added to the Objects Clause, which have tremendous growth potential. If undertaken, the activities will help to utilise the assets of the Company in a very profitable manner.

The present Objects Clause of the Memorandum of Association does not contain these businesses and hence it is proposed to alter the Objects Clause of the Memorandum of Association of the Company and insert Sub-clause 33 to 40, to enable the Company to take up/commence the activities contained therein. This alteration needs the consent of members through Postal Ballot, by way of a Special Resolution.

Your Directors recommend the resolution for your approval through postal ballot and none of them is concerned or interested in it.

It is mandatory for all the listed Companies to pass resolutions relating to alteration in Objects Clause by way of Postal Ballot as required under Section 192A of the Companies Act, 1956 read with the Companies (passing of the resolution by postal ballot) Rules, 2001. Your Board of Directors have appointed Mr. P.N. Parikh, a Practising Company Secretary as Scrutiniser for conducting the Postal Ballot process in a fair and transparent manner. The result of the Ballot will be declared by the Chairman at the Annual General Meeting.

By Order of the Board of Directors

Place : Mumbai
Date : 31st July, 2002

UBAID A. PATEL
Company Secretary



NOTICE

NOTICE is hereby given that the Sixty-Eighth Annual General Meeting of the members of The Modern Mills Limited will be held at the Registered Office of the Company at 101, K. Khadye Marg, Mahalaxmi, Mumbai 400 011 on Monday, the 30th September, 2002 at 3.00 P.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2002 and the Profit & Loss Account for the year ended as on that date and the Reports of the Directors and Auditors, thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. Ravi N. Sethna who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT Mr. J. F. Pochkhanawalla, who was appointed as an Additional Director of the Company by the Board of Directors, pursuant to Article 103 of the Articles of Association 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 from a member, 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. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT Mr. R. R. Doshi, who was appointed as an Additional Director of the Company by the Board of Directors, pursuant to Article 103 of the Articles of Association 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 from a member, 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. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT Mr. Pradip Kumar Bubna, who was appointed as an Additional Director of the Company by the Board of Directors, pursuant to Article 103 of the Articles of Association 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 from a member, 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. 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, the existing Articles of Association of the Company be and are hereby altered and the following Article, numbered as Article 87A, be and is hereby inserted after the existing Article No. 87 of the Articles of Association of the Company.

Article No. 87A

"Notwithstanding anything contained in the Articles of Association of the Company, the Company do adopt the mode of passing the resolution by its members by means of postal ballot (including voting by electronic mode) and/or other ways as prescribed by the Central Government in this behalf in respect of the following matters instead of transacting such business in General Meeting of the Company:

1. Any business that can be transacted by the Company in General Meeting and
2. Particularly, resolutions relating to such business as the Central Government by notification declare to be conducted only by postal ballot.

The Company shall comply with the procedure for such postal ballot and/or other ways prescribed by the Central Government in this regard from time to time."

The Modern Mills Limited

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

"RESOLVED THAT pursuant to the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the existing Articles of Association of the Company be and are hereby altered and the following Article, numbered as Article 7A, be and is hereby inserted after the existing Article No. 7 of the Articles of Association of the Company.

Article No. 7A

Notwithstanding anything contained in the Companies Act 1956, (as amended from time to time including re-enactment of the same) and Articles of Association of the Company, and subject to all relevant and applicable provisions of the Companies Act, 1956, as may be in force from time to time and subject to all the applicable provisions of any other law in force, the Company may purchase its own shares or other specified securities (here in after referred to as buy-back), out of

- (i) its free reserves or,
- (ii) the securities premium account or,
- (iii) the proceeds of any shares or other specified securities, subject to the provisions of section 77A, 77AA, 77B and any other applicable provisions of the Companies Act 1956, and/or modification/ re-enactment thereof."

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

(This item will be transacted through postal ballot as required under section 192A of the Companies Act, 1956 and Rules made thereunder. The results of the postal ballot will be announced at the above said meeting. Postal Ballots are being sent along with this notice to all the members.)

"RESOLVED THAT, pursuant to the provisions of Sections 13, 16, 17 and all other applicable provisions of the Companies Act, 1956, and subject to the provisions of Memorandum and Articles of Association of the Company, the Object Clause of the Memorandum of Association of the Company be and is hereby altered and the following Sub-clauses numbered as Sub-clauses 33 to 40 be and are hereby inserted after existing Sub-clause 32 of the Objects Clause of the Memorandum of Association of the Company."

- (33) To establish, found, run, manage, conduct, assist, or otherwise subsidise all types of schools, colleges, educational institutions, research laboratories/centres, workshops, libraries, training centres, play schools, technical schools and colleges, management colleges and institutions, for imparting education, training and skills in all streams of arts, science, commerce, engineering, computer engineering, telecommunication, information technology, marine engineering, electrical and electronics engineering, mechanical engineering, civil engineering, environmental engineering, shipping, aeronautics engineering, space engineering, aircraft engineering, aviation engineering, digital technology, acting and sound recording, fashion designing, hotel management, catering, tours and travels management, hospital management, medicines, pharmacy, veterinary science, bio-technology, genetic engineering, food technology, health science and for that purpose to give loans, scholarships, salaries, fees and honoraria and to enter into joint venture, franchise agreement and/or Memorandum of Understanding with any other entity.
- (34) To carry on the business of manufacturing, importing, exporting, selling, distributing, marketing all types of food products, convenient food and food products, formulated food products dairy based products, milk and milk products, skimmed milk powder, ghee, artificial ghee, vegetable ghee, ice cream, mix powder, complete instant coffee, complete instant tea, instant mixes and other food preparations, vegetable and vegetable products, cereal products, fruits, fruit pulps, fruit products, canned fruits, tinned fruits and food, dehydrated products, cold cuts, farm products, meat and meat products, fish and fish products, poultry and poultry products, animal products, cattle feeds, sea food products, marine products, cashews and cashew products, cordials, condiments, aerated and mineral waters, baby foods, spices, cardamom, tea, coffee, plantation crops canned food products, starch, soya products, protein foods, malts and malted foods, beverages and other edible products, confectionery, chocolates, protein hydrolyses, concentrates and isolates and products based on them, health foods, sports foods, copra, edible fats and oils, therapeutics foods, diabetic foods, medicinal foods, vitamin foods, soft drinks including concentrates, syrups, sherbets, ketch-ups, squashes, crushes, jams, jellies, custard, caramel, fruit juices, pickles, synthetic foods and sausages, table delicacies, loaves, breads, bakery products and carbohydrates products, snacks, wafers, sandwiches, desserts, mixes, com syrups, soups.
- (35) To commence, carry on and undertake crushing, grinding, milling, treating, preparing, cold storing, freezing, drying, sterilizations, evaporation, concentration, irradiation, radio sterilization, conditioning, ripening, pickling, distillation, fractionation, centrifugation, aseptic packing, defatting, extruding, deodorizing, frying, deep fat frying,

Annual Report 2001-2002

autolysing, hydrolyzing, treating with enzymes for conversion, dehydrating, drying, pouring, hydrogenating, shortenings, separating, fermenting, extracting, refining, preserving, storing, warehousing, baking, tinning, deriving, creating, flavouring, confectioning, hysting, bottling, feeding, fattening, refilling, farming, growing, cultivating, nurseries plants transplantation agronomy, boiling, blending, labeling, researching, marketing, developing, stockist, wholesaling, retailing, representing, commission agent, brokering, and deal with all kind of food products, manufacture, produce, resulting or derived in whole or in part, whether in glass, tin, polythene bags, or other sanitary packages for human or animal consumption and for these purposes to acquire, take over, purchase, own, hold, take or hire, use, start, run, rent, erect, maintain, manage, administer, buy, sell, dispose off, assign, sublet, lease, mortgage, develop, exchange, or transfer, land, building, factories, workshops, industrial shed, foundries, mills, equipments, undertaking moveable and immoveable properties, business, absolutely either in whole or in part.

- (36) To carry on the business of exploring, importing, exporting, prospecting and boring, for extracting, pumping, drawing, transporting, refining and dealing in natural gases, petroleum and other mineral oils and fuels and of manufacturing petroleum products and by-products and to construct, lay down and maintain pipelines, pumping stations and other appliances for the generation, accumulation, distribution and transportation of oil, natural gases, petroleum and other products.
- (37) To carry on the business of establishing, running, maintaining, providing, letting, hiring, operating, leasing, servicing malls, hotels, motels, restaurants, cafeterias, lodgings, inn house keepers, taverns, refreshment rooms, resorts, club houses, canteens, buffets services, holiday houses, guest houses, beer bars, permit rooms, night clubs, discotheques, music halls, convention halls, meeting halls, other halls, concert halls, ball rooms, health clubs, gymnasiums, yoga centres, exhibition centres, art galleries, cinematographic centres and theatres, video parlors, video game centres, studios, recording rooms, recreation rooms, public amusement centres, amusement parks, theme parks, sound recording centres, performance centres, game show centres, play schools, radio service providers, T.V. Channel owners and operators, T.V. Show producers, T.V. Serial producers, golf courses, bowling greens, skating rings, swimming pools, boating and padding pools, car parks, marquees, stages.
- (38) To plant, cultivate, grow, produce, farm, buy, sell, lease, raise, fell, cut, market, gather, extract, manufacture, purchase or otherwise in any manner, handle and deal in, grass, timber, wood, bamboo, straw, plants, creepers, flowers, forest products, vegetable and vegetable products, fibre and fibre products, cotton, jute, flex, hemp, sugarcane, leather, asbestos, water, hyacinth, jute stock, rags, waste, waste-paper pulp, board, food grains, cereals, tea, fruits, nuts, in their raw form, their products, by-products and/or processed form and to own, lease, hire, let, maintain & manage, lands, plantations, farms, nurseries, fields and packaging units.
- (39) To acquire, build, construct, alter, setting-up, manufacture, sell, supply, maintain and manage, deal in all kinds of power generation systems including wind mills and turbines, hydro-turbines, thermal turbines, solar modules, in all its branches and to undertake commercial generation of electric power connected to the grid system through the development of wind farms and to carry on the business of a General Electric Power and Gas Company and to construct, lay down, establish, fix and carry out all necessary power stations, cables, wires, accumulators, lamps and works and to generate, accumulate, distribute and supply electricity to light cities, towns, streets, docks, markets, theatres, buildings and places, both public and private.
- (40) To establish and run hospitals, health centres, nature cure centres, diagnostic centres, dispensaries, clinics, poly-clinics, blood bank service centres, nursing homes, maternity homes, creches, child welfare and family planning centres, and to supply or provide utility articles and services to the patients, invalids and others and to aid medical personnel for medical relief.

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

"RESOLVED THAT, pursuant to the provisions of Section 149 (2A) and all other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the commencement of all or any of the business and activities as contained in the newly inserted Sub-clauses 33 to 40 of the Objects Clause, after the existing Sub-clause 32 of the Objects Clause of the Memorandum of Association of the Company."

"RESOLVED FURTHER THAT, the Board of Directors of the Company, be and is hereby authorised and empowered to do all such acts, deeds, matters and things as may be necessary, appropriate and desirable to give effect to this resolution."

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

The Modern Mills Limited

"RESOLVED THAT in partial modification of resolution passed by the members of the Company at the last annual general meeting held on 28.09.2001, for appointment and payment of remuneration to Mr. Vijay Kumar Jatia, Managing Director and pursuant to the provisions of Sections 198, 269 & 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 consent of the Company be and is hereby accorded to the payment of remuneration to Mr. Vijay Kumar Jatia, as per the applicable ceiling limit of Rs. 3,00,000/- per month as prescribed in Paragraph (B) of Section II of Part II of the amended Schedule XIII to the Companies Act, 1956, for a period of 3 (Three) years with effect from 1st April, 2002."

"RESOLVED FURTHER THAT all other terms and conditions of the appointment and payment of remuneration to Mr. Vijay Kumar Jatia, Managing Director, as approved by the members vide their resolution dated 28.09.2001, shall remain unaltered."

13. 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 the Resolution passed at the Annual General Meeting of the Company held on 29th March, 1984 and pursuant to the provisions of Section 293(1)(d) and all other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing moneys from time to time for the purposes of the Company, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business) will or may exceed 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, provided that the total amount upto which moneys may be borrowed by the Board of Directors (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) shall not exceed at any time Rs. 50 crores (Rupees Fifty Crores).

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such moneys to be borrowed from time to time as to interest, repayment, security or otherwise howsoever, as they may think fit."

14. 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 of Section 293 (1)(a) and all other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company for mortgaging and/or charging by all or any of the movable or immoveable properties, both present and future, or the whole or substantially the whole of the undertaking or the undertakings of the Company for securing any loan obtained or as may be obtained, from time to time, from any Bank, Financial Institution, Body Corporate or person or persons, on such terms and conditions, as may be agreed upon, together with interest, costs, charges, expenses and any other money payable by the Company and to finalise and execute any and all agreements and documents, necessary for creating mortgages and/or charges, as aforesaid and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for implementing this resolution and to resolve any question or doubt relating thereto, or otherwise considered to be in the best interest of the Company."

By Order of the Board of Directors

U. A. PATEL

Company Secretary

Mumbai, dated 31st July, 2002

Registered Office:

101, K. Khadye Marg,
Mahalaxmi,
MUMBAI 400 011

NOTES:

- (a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the time of holding the meeting.