

PIDILITE

Report  Junction



Annexure to Report of the Directors
Reports & Accounts 1998-99 of Subsidiary Companies

Pidilite Industries Limited



Pidilite Industries Limited

Information for Shareholders

Registered Office

Pidilite Industries Limited, Regent Chambers, 7th floor, Jamnalal Bajaj Marg, Nariman Point, Mumbai - 400 021.

Listing

The Company's shares are listed on Ahmedabad, Delhi, Mumbai and National Stock Exchanges and also included in the list of Permitted Securities in OTC Exchange of India.

Corporate Secretarial/Investor Assistance Department

The Company's Secretarial Department headed by Mr. P.C. Patel, Company Secretary & Vice President is situated at the Registered Office mentioned above.

Investors may contact Mr. P.C. Patel or Mr. V. Mohan or Mr. M.B. Pathak at the Registered office in Mumbai for any assistance they may need.

Tel No.: (022) 282 2708 Fax No.: (022) 204 3969

Registrar & Transfer Agent

Tata Share Registry Limited, Unit: Pidilite Industries Ltd, Army & Navy Building, 148 Mahatma Gandhi Road, Fort, Mumbai - 400 001.

Tel No.: 022- 2873831. Fax No.: 022-2844160

Annual General Meeting

Time: 11 a.m., Tuesday, August 31, 1999.

Venue: Kamalnayan Bajaj Hall, Bajaj Bhavan, Nariman Point, Mumbai - 400 021.

Book Closure Dates

17th August, 1999 to 31st August, 1999 (both days inclusive)

Dividend

A dividend of Rs. 7 per share subject to the approval of the shareholders at the AGM will be paid during September, 1999.

Depository System

As per the press release of SEBI dated 30/10/1998, delivery of Company's shares in dematerialised form has been made compulsory for institutional investors and Overseas corporate bodies. With effect from 19/1/1999, the

Company has established connectivity with NSDL through Tata Share Registry Limited, Registrar & Transfer Agent, so as to facilitate the dematerialisation of its shares. **The Company has also made a one time payment to NSDL with a view to reduce the custody charges payable by the investors to the depository participants for holding their dematerialised shares.**

In view of the numerous advantages offered by the Depository system, members are requested to avail of the facility of dematerialisation of Company's shares.

Exchange of new share certificates with safety features for old share certificates

In order to protect the interest of the shareholders, the Company had issued new certificates containing safety features like Hologram, Bar Coding, Invisible Ink in lieu of the old share certificates. The Company had sent circulars to all the members requesting them to exchange their old certificates for the new certificates in the year 1997. We however find that quite a few members have still not exchanged their old certificates for the new certificates.

The Company intends to inform the concerned Stock exchanges at the appropriate time to stop trading in old certificates. **We therefore now once again request the members who have not exchanged their old share certificates to send the same to Tata Share Registry Limited, our Registrar & Transfer Agent, and obtain in exchange the new certificates with safety features.**

PIL Share prices during 1998-99 at NSE for one equity share of Rs. 10 each

| | |
|---------------|---------|
| April 1, 1998 | Rs. 194 |
| Jun 30, 1998 | Rs. 165 |
| Sep 30, 1998 | Rs. 245 |
| Dec 31, 1998 | Rs. 253 |
| Mar 31, 1999 | Rs. 450 |

Web Site

Visit us at: [http:// www.pidilite.com](http://www.pidilite.com)

NOTICE

NOTICE is hereby given that the THIRTIETH ANNUAL GENERAL MEETING of the members of the company will be held in the Kamalnayan Bajaj Hall, Bajaj Bhavan, Nariman Point, Mumbai 400 021 on Tuesday the 31st August, 1999 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Profit and Loss Account for the year ended on 31st March, 1999 and the Balance Sheet as at that date together with the Directors' Report and Auditors' Report.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Shri D. H. Sharma, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri B. K. Parekh, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Shri N.J. Jhaveri, who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint Auditors for the current year to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

7. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:
 "RESOLVED THAT Shri S. T. Dave who was appointed as an Additional Director of the company by the Board of Directors and who holds office upto the date of this Annual General Meeting 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. 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 Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, approval of the members of the company be and is hereby accorded to the appointment of Shri S. T. Dave as a Whole Time Director of the company for a period of 2 years with effect from 1.7.1999, upon the terms and conditions and payment of remuneration as set out in the Explanatory Statement attached to this notice."
 "RESOLVED FURTHER THAT the Board of Directors of the company (hereinafter referred to as the Board) be and is hereby authorised to vary and/or modify the terms and conditions of appointment including remuneration and perquisites payable to Shri S. T. Dave in such manner as may be agreed to between the Board and Shri S. T. Dave within and in accordance with the limits prescribed in Schedule XIII to the Companies Act, 1956 or in accordance with the changes that may be effected in Schedule XIII of the Companies Act, 1956 and/or any amendments and/or modifications that may be made by the Central Government in that behalf from time to time or any amendments or re-enactment of the relevant provisions of the Companies Act, 1956."
 "RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of profits in any fiscal year, the remuneration by way of Salary, Perquisites / Allowances and Other Entitlements shall not exceed the limits prescribed under Section II of Part II of Schedule XIII of the Companies Act, 1956 unless approved by Central Government."
 "RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors to give effect to the aforesaid resolutions."
 "RESOLVED FURTHER THAT Shri S. T. Dave, Whole Time Director be and is hereby designated as Director (Factories Operations) and apart from other duties that are entrusted to him from time to time, he shall be in overall charge of all the factories of the company situated in the State of Maharashtra, Gujarat or any other State in India."
9. 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 Sections 198, 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956, approval of the members of the company be and is hereby accorded to the re-appointment



of Shri Santosh Kumar as a Whole Time Director of the company for a further period of 2 years with effect from 1.9.1999, upon the terms and conditions and payment of remuneration as set out in the Explanatory Statement attached to this notice.”

“RESOLVED FURTHER THAT the Board of Directors of the company (hereinafter referred to as the Board) be and is hereby authorised to vary and/or modify the terms and conditions of re-appointment including remuneration and perquisites payable to Shri Santosh Kumar in such manner as may be agreed to between the Board and Shri Santosh Kumar within and in accordance with the limits prescribed in Schedule XIII to the Companies Act, 1956 or in accordance with the changes that may be effected in Schedule XIII of the Companies Act, 1956 and/or any amendments and/or modifications that may be made by the Central Government in that behalf from time to time or any amendments or re-enactment of the relevant provisions of the Companies Act, 1956.”

“RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of profits in any fiscal year, the remuneration by way of Salary, Perquisites / Allowances and Other Entitlements shall not exceed the limits prescribed under Section II of Part II of Schedule XIII of the Companies Act, 1956 unless approved by Central Government. ”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors to give effect to the aforesaid resolutions.”

10. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT subject to the approval of the Central Government and pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956, the company hereby accords its approval for continuing to avail services of Shri A.N. Parekh, a relative of a Director of the company, now designated with effect from 1.8.1999 as “Vice President” upon the terms and conditions and payment of remuneration as set out in the Explanatory Statement attached to this Notice.”

“RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorised to agree to such terms and conditions and benefits as may be directed by the Central Government while giving its approval and as may be thought fit by the Board and acceptable to Shri A.N. Parekh.”

11. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 309(1), Section 314(1) and all other applicable provisions, if any of the Companies Act, 1956, the company hereby accords its consent for obtaining Professional services from Shri N.J. Jhaveri, a Director of the company, as a “Consultant” in the areas related to finance, corporate planning, business restructuring, strategic planning and such other related matters on retainership basis from 1.1.1999 on payment of monthly professional fees of Rs. 1,25,000/-.”

“RESOLVED FURTHER THAT any Director or the Company Secretary be and is hereby severally authorised to do all acts, deeds, things and matters necessary for the purpose of giving effect to this resolution.”

12. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the company be and are hereby altered as under:

After Article 49, a new Article 49A be inserted as under:

“Nomination 49A Notwithstanding anything stated in Article 48 and 49, a holder or joint holders of shares or debentures, may nominate, in accordance with the provisions of Section 109A of the Companies Act, 1956 and/or any amendments and/or modification that may be made by the Central Government in that behalf from time to time and in the manner prescribed thereunder, a person to whom all the rights in the shares or debentures of the company shall vest in the event of death of such holder/s. Any nominations so made shall be dealt with by the company in accordance with the provisions of Section 109B of the Companies Act, 1956 and/or any amendments and/or modification that may be made by the Central Government in that behalf from time to time.”

BY ORDER OF THE BOARD OF DIRECTORS

Mumbai
Date: 29th June, 1999

P.C. PATEL
VICE PRESIDENT
& SECRETARY



Notes

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The proxies, to be effective, should be deposited at the Registered Office of the company not later than 48 hours before the commencement of the meeting.**
2. The Register of Members will be closed from Tuesday the 17th August, 1999 to Tuesday the 31st August, 1999 both days inclusive. The Transfer books of the company will also remain closed for the aforesaid period.
3. An Explanatory Statement as required u/s 173(2) of the Companies Act, 1956 in respect of Special Business is annexed hereto.
4. The dividend on Shares as recommended by the Directors when declared at the Annual General Meeting will be paid to those Shareholders whose names appear on the Register of Members of the company on 31st August, 1999, during September, 1999.
5. Members are requested to inform the company or to the Registrar and Transfer Agents, any change in their addresses immediately so as to enable the company to despatch dividend warrants and any future communication at their correct addresses.
6. **To avoid the incidence of fraudulent encashment of the warrants, members are requested to intimate the company under the signature of the Sole/First Joint holder, the following information, so that the Bank Account Number and Name and address of the Bank can be printed on the Dividend Warrant:**
 - a. Name of Sole / First Joint holder and Folio No.
 - b. Particulars of Bank Account, viz.
 - i. Name of the Bank
 - ii. Name of Branch
 - iii. Complete address of the Bank with Pin Code Number
 - iv. Account Type, whether Savings (SB) or Current Account (CA)
 - v. Bank Account Number allotted by the Bank
7. For the convenience of members and for proper conduct of the meeting, entry to the place of meeting will be regulated by an Attendance Slip, which is annexed to the Proxy Form. Members are requested to append their signatures at the place provided on the Attendance Slip and hand it over at the entrance.
8. Members are requested to bring their copy of the Annual Report with them at the meeting as additional copies of the same will not be made available at the meeting.
9. Members are requested to send their queries if any, at least ten days in advance to the Registered Office, so that the information can be made available at the meeting.
- 10.A. Pursuant to Section 205-A of the Companies Act, 1956, all unclaimed/unpaid dividends upto the financial year ended 31st March, 1994 have been transferred to the General Revenue Account of the Central Government. Those members who have so far not claimed their dividends for the said periods may claim the same by submitting an application in prescribed Form No. II to the Registrar of Companies, Maharashtra, 2nd floor, Hakoba Compound, Bombay Cotton Mills Estate, Dattaram Lad Marg, Lalbaug, Kala Chowki, Mumbai 400 033.
- B. Consequent upon amendment in Section 205A of the Companies Act, 1956, and introduction of Section 205C, by the Companies (Amendment) Act, 1999, now the amount of dividend remaining unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund.

Members who have yet not encashed their Dividend Warrants for the years ended 31.3.1995 to 31.3.1998 are requested to contact the Registrar and Transfer Agents, M/s. Tata Share Registry Ltd., Shalaka, 1st floor, Queen's Barrack Area, Near Cooperage Exchange, Maharshi Karve Road, Mumbai 400 021.



EXPLANATORY STATEMENT

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

Item No. 7

Shri S. T. Dave was appointed as additional Director of the company by the Board of Directors at their meeting held on 29.6.1999. Under Section 257 of the Companies Act, 1956 the company has received a Notice from a member signifying his intention to propose candidature of Shri S. T. Dave, as a Director of the company liable to retire by rotation. Shri S. T. Dave is a Chemical Engineer with qualification of B.Sc., M.S. (Chem. Engg.) (USA) and having experience of about 32 years as a Technocrat. It will be in the interest of the company to avail of his services. The Board of Directors recommend the appointment of Shri S.T. Dave as a Director.

Except Shri S.T. Dave, no other Director is interested or concerned in this resolution.

Item No. 8

Subject to approval of the members at the General Meeting, the Board of Directors at their meeting held on 29.6.1999 have appointed Shri S. T. Dave as a Whole Time Director of the company for a period of 2 years from 1.7.1999.

Subject to the limits prescribed under Section II of Part II of Schedule XIII to the Companies Act, 1956, the said Whole Time Director shall be paid the following remuneration effective from 1.7.1999:

I. Salary:

Salary of Rs. 33,525/- p.m. with first increment due on 1.4.2000. The Board will decide the increment upto a ceiling of 15% of the salary. Subsequently, increment will become due on 1st April every year and the Board will decide increment upto 15% of salary drawn in the immediate previous year.

II. City Compensatory Allowance: Rs. 11,275/- p.m.

III. Special Allowance: Rs. 24,400/- p.m.

IV. Perquisites:

i. Housing:

- a. Free use of residential accommodation.
- b. The company shall provide such furniture, fixtures and furnishings as approved by the Board of Directors from time to time.
- c. Reimbursement of expenses for Gas, Electricity, Water.

ii. Perquisites (including allowances) in such form and to such extent as may be decided by the Board of Directors or a Committee thereof subject to the ceiling of Rs. 3,00,000/- p.a.

V. Other Benefits:

Other benefits to the appointee shall include use of car (with driver) and telephone for the company 's business at residence (the expenses whereof, excepting personal long distance calls, would be borne and paid by the company), contribution to Provident and Superannuation Funds and all other benefits as are applicable to senior employees of the company (including but not limited to gratuity, leave entitlement, encashment of leave, in accordance with the schemes of the company).

In accordance with the resolution, within the aforesaid limits, the amount of salary and perquisites payable to the appointee (including the types and amount of each type of perquisite) will be decided by the Board of Directors or a Committee from time to time as it may deem fit in its absolute discretion.

The valuation of perquisites will be as per the Income-tax Rules, 1962, in cases where the same is otherwise not possible to be evaluated.

The proposed remuneration payable is within the limits specified in Schedule XIII of the Companies Act, 1956. Members approval is required for the same under Schedule XIII and other applicable provisions of the Companies Act, 1956. Directors recommend this resolution for members approval.

It would be in the interest of the company to avail services of Shri S.T. Dave as Whole Time Director.

This may be treated as an abstract of the terms and conditions u/s 302 of the Companies Act, 1956 governing the appointment of the said Whole Time Director and the Memorandum of interest of Directors therein.

Except Shri S. T. Dave, no other Director is interested or concerned in this resolution.



Item No. 9

Subject to approval of the members at the General Meeting, the Board of Directors at their meeting held on 29.6.1999 have re-appointed Shri Santosh Kumar as Whole Time Director of the company for a further period of 2 years from 1.9.1999.

Subject to the limits prescribed under Section II of Part II of Schedule XIII to the Companies Act, 1956, the said Whole Time Director shall be paid the following remuneration effective from 1.4.1999:

I. Salary:

Salary of Rs. 36,000/- p.m. with first increment due on 1.4.2000. The Board will decide the increment upto a ceiling of 15% of the salary. Subsequently, increment will become due on 1st April every year and the Board will decide increment upto 15% of salary drawn in the immediate previous year.

II. Perquisites:

Perquisites (including allowances) in such form and to such extent as may be decided by the Board of Directors or a Committee thereof subject to the ceiling of Rs. 3,50,000/- p.a.

III. Other Benefits:

Other benefits to the appointee shall include use of car (with driver) and telephone for the company's business at residence (the expenses whereof, excepting personal long distance calls, would be borne and paid by the company), contribution to Provident and Superannuation Funds and all other benefits as are applicable to senior employees of the company (including but not limited to gratuity, leave entitlement, encashment of leave, in accordance with the schemes of the company).

In accordance with the resolution, within the aforesaid limits, the amount of salary and perquisites payable to the appointee (including the types and amount of each type of perquisite) will be decided by the Board of Directors or a Committee from time to time as it may deem fit in its absolute discretion.

The valuation of perquisites will be as per the Income-tax Rules, 1962, in cases where the same is otherwise not possible to be evaluated.

The proposed remuneration payable is within the limits specified in Schedule XIII of the Companies Act, 1956. Members approval is required for the same under Schedule XIII and other applicable provisions of the Companies Act, 1956. Directors recommend this resolution for members approval.

It would be in the interest of the company to continue to avail services of Shri Santosh Kumar.

This may be treated as an abstract of the terms and conditions u/s 302 of the Companies Act, 1956 governing the re-appointment of the said Whole Time Director and the Memorandum of interest of Directors therein.

Except Shri Santosh Kumar, no other Director is interested or concerned in this resolution.

Item No. 10

Shri A. N. Parekh is a Chemical Engineer with qualification of B.S. Chem. Engg. (USA) and having a practical experience of about 2 years in USA with Ecochem, Dupont and Miles Corporation and about 3 years in India with the company. He is a relative of Shri N. K. Parekh, Jt. Managing Director of the company. He was appointed by the company at the 27th Annual General Meeting held on 17.9.1996 in the sales and marketing department of the company and his appointment is valid upto 31.7.1999.

During the 3 years with the company, Shri A.N. Parekh has shown excellent performance in various areas such as sales, marketing, ERP, distribution logistics and several other important corporate matters. It is therefore desired to continue the appointment of Shri A.N. Parekh, designate him from 1.8.1999 as "Vice President" and remunerate him suitably.

The Board of Directors on 29.6.1999 subject to approval of the company and Central Government, if required, have re-appointed Shri A.N. Parekh with effect from 1.8.1999 designated as Vice President on following terms and conditions:

I. Salary:

Salary Rs. 23,000/- p.m. with first increment due on 1.4.2000. The Managing Director will decide the increment upto a ceiling of 15% of the salary. Subsequent increment will become due on 1st April every year and the Managing Director will decide increment upto 15% of salary drawn in the immediate previous year.

II. Allowances:

- a. House Rent Allowance: Rs. 17,900/- p.m.
- b. Managerial Allowance: Rs. 18,150/- p.m.
- c. Tiffin Allowance: Rs. 1,200/- p.m.

He will be paid above allowances at such revised rates as per Rules of the company from time to time.



III. Perquisites:

- i. As per rules of the company, as applicable to Vice Presidents:
 - a. Contribution to Provident Fund, Superannuation fund and Gratuity fund.
 - b. Gas, Electricity, Water, furnishings, furniture, Equipments, Home appliances, painting and house repairs.
 - c. Leave Travel Assistance for self and family.
 - d. Annual Holiday allowance
 - e. Medical benefits, Personal Accident Benefit
 - f. Encashment of unavailed leave.
- ii. Company's Car with driver.
- iii. Telephone at residence
- iv. Such other benefits and perquisites or allowances as may be decided by the company from time to time and applicable to Vice Presidents

Perquisites shall be evaluated as per Income-tax Rules where applicable.

It will be in the interest of the company to continue to avail services of Shri A.N. Parekh. Considering his educational qualifications and experience, the remuneration payable to him is fair and reasonable and in line with remuneration being paid by the company to other Vice Presidents.

Members approval is required for the said appointment u/s 314 of the Companies Act, 1956.

Except Shri N.K. Parekh, Jt. Managing Director, no other Director is interested in this resolution.

The Directors recommend this resolution for members approval.

Item No. 11

Shri N.J. Jhaveri, a Director of the company, is an eminent Economist and has obtained his Master's degree in Economics from London School of Economics. He has a vast professional experience of over 36 years in the fields of financial and corporate matters such as investment banking, project finance, corporate finance, merchant banking, business restructuring, venture capital and technology finance besides economic and market research. He was with ICICI Ltd., a leading investment banker of the country since 1974 and worked as their Jt. Managing Director supervising all major operational areas. He was a founder chairman of I-Sec. Ltd. a joint venture between ICICI and JP Morgan of USA during 1993 - 1995.

The Board of Directors have decided to obtain services of Shri N.J. Jhaveri as a professional with effect from 1.1.1999 in the areas related to finance, corporate planning, business restructuring, strategic planning and such other related matters on retainership basis on payment of monthly professional fees of Rs. 1,25,000/-

Members approval is required for the same u/s 314(1) of the Companies Act, 1956.

Except Shri N.J. Jhaveri, no other Director is interested in this resolution.

The Directors recommend this resolution for members approval.

Item No. 12

The Companies (Amendment) Act, 1999 has, inserted Sections 109A and 109B with effect from 31.10.1998 whereby a holder or joint holders of shares can nominate a person to whom all the rights in the shares or debentures of a company shall vest in the event of the death of such holder/s. Such a nominee can elect either to be registered himself as the holder of the shares or debentures or make such transfer of the shares or debentures as the deceased holder/s of shares or debentures could have made. It is, therefore, proposed to incorporate a new Article in the Articles of Association of the company providing for nomination facility and transmission of shares in accordance with the provisions of Sections 109A and 109B of the Companies Act, 1956 and / or any amendments and/or modification that may be made by the Central Government in that behalf from time to time.

Members approval is required u/s 31 of the Companies Act, 1956 for the proposed amendment of Articles of Association.

A copy of the Articles of Association of the company together with proposed amendment is available for inspection of the members at the Registered Office of the company between 10.00 a.m. to 1.00 p.m. on any working day of the company upto the date of the meeting.

Directors recommend this resolution for members approval.

None of the Directors of the company is interested in the said resolution.

Mumbai

Date: 29th June, 1999

BY ORDER OF THE BOARD OF DIRECTORS

P.C. PATEL
VICE PRESIDENT
& SECRETARY

19th Annual Report 1998-99
FEVICOL ADHESIVES AND CHEMICALS LIMITED

BOARD OF DIRECTORS

B.K. Parekh - Chairman
S.K. Parekh
N.K. Parekh
M.B. Parekh

SECRETARY

PC. Patel

SOLICITORS & ADVOCATES

Manilal Kher Ambalal & Co.

AUDITORS

D.A. Kothari & Co.

BANKER

Indian Overseas Bank

REGISTERED OFFICE

7th Floor, Regent Chambers
Jamnalal Bajaj Marg
208, Nariman Point
Mumbai - 400 021



DIRECTORS' REPORT

To
The Shareholders

Your Directors have pleasure in presenting their Nineteenth Annual Report together with Audited Statements of Accounts for the year ended 31st March, 1999.

| Financial Results | Rs. |
|--|--------|
| Profit for the year | 1,373 |
| Less: Provision for Taxation | 480 |
| | 893 |
| Leaving Balance of | 893 |
| Add: Profit brought forward from Previous Year | 16,340 |
| | 17,233 |
| Balance carried to Balance Sheet | |

Dividend

In view of smallness of profit, your Directors do not recommend any dividend for the year.

Particulars of Employees

There is no employee in respect of whom information u/s 217(2A) of the Companies Act, 1956 is required to be given.

Directors

In accordance with the Articles of Association of the company, Shri S. K. Parekh, a Director of the company retires by rotation and, being eligible, offers himself for re-appointment.

Auditors

Messrs. D. A. Kothari & Co., Chartered Accountants, Mumbai retire and you are requested to appoint Auditors from conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

MUMBAI
DATE: 18th May, 1999

FOR AND ON BEHALF OF THE BOARD
B.K. PAREKH
Chairman