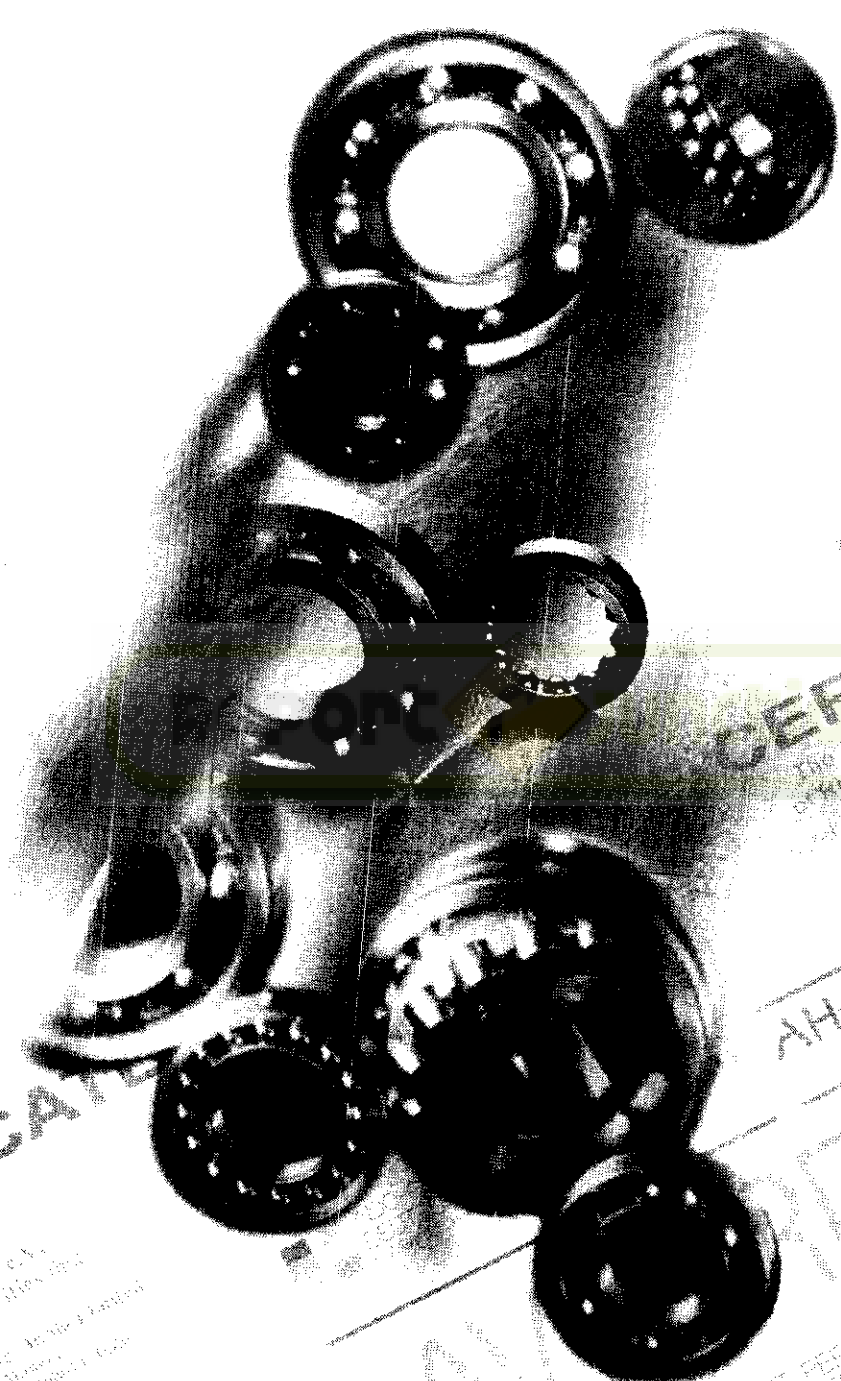


# ANNUAL REPORT

## 1999



PREMIER

[illegible]

**WATSON**

**CERTIFICATE**

44-38861-244  
 Mr. J. Edgar Hoover  
 U.S. Department of Justice  
 Washington, D.C. 20535  
 Sir:

1. The first part of the report is a general introduction to the project, which includes a brief description of the project's purpose and objectives.

2. The second part of the report is a detailed description of the project's methodology, which includes a description of the data sources, the data collection process, and the data analysis process.

3. The third part of the report is a detailed description of the project's results, which includes a description of the data, the data analysis results, and the conclusions drawn from the data.

4. The fourth part of the report is a detailed description of the project's conclusions, which includes a description of the project's findings, the project's limitations, and the project's recommendations.

5. The fifth part of the report is a detailed description of the project's conclusions, which includes a description of the project's findings, the project's limitations, and the project's recommendations.

✓

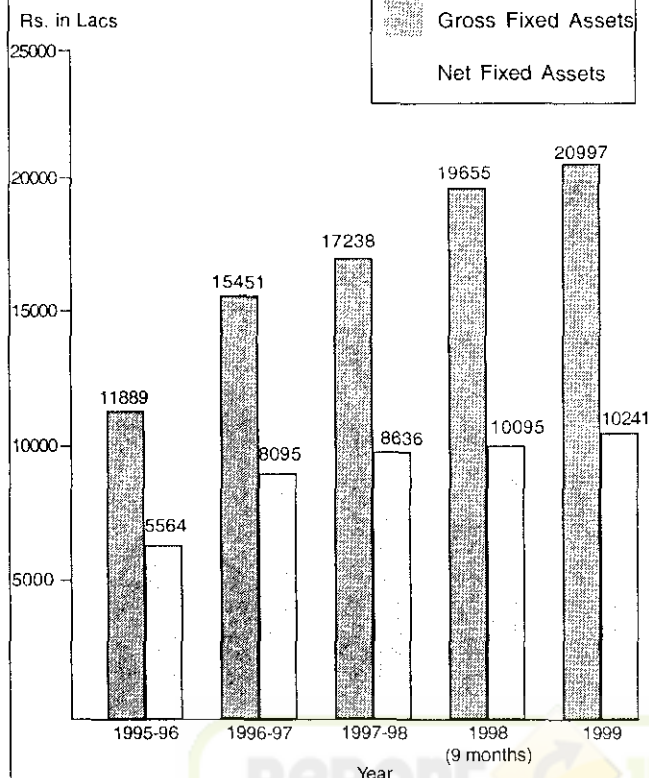
1000

# FAG

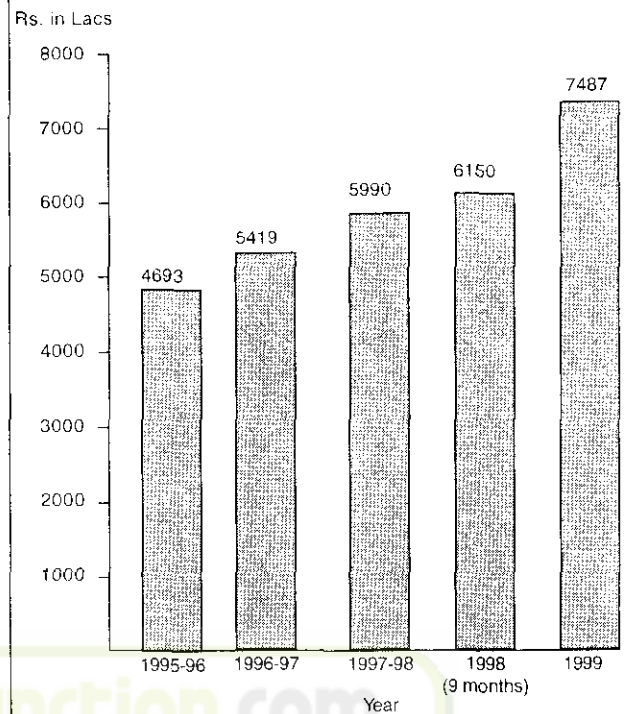
**FAG Bearings India Ltd.**

## PERFORMANCE HIGHLIGHTS

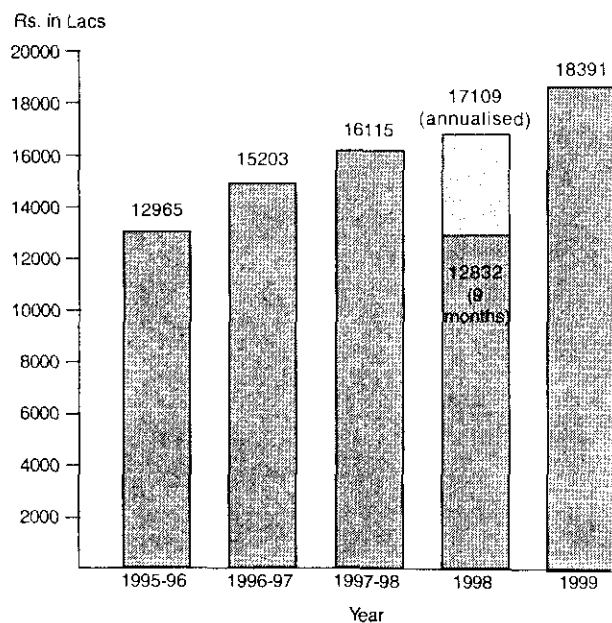
### Fixed Assets



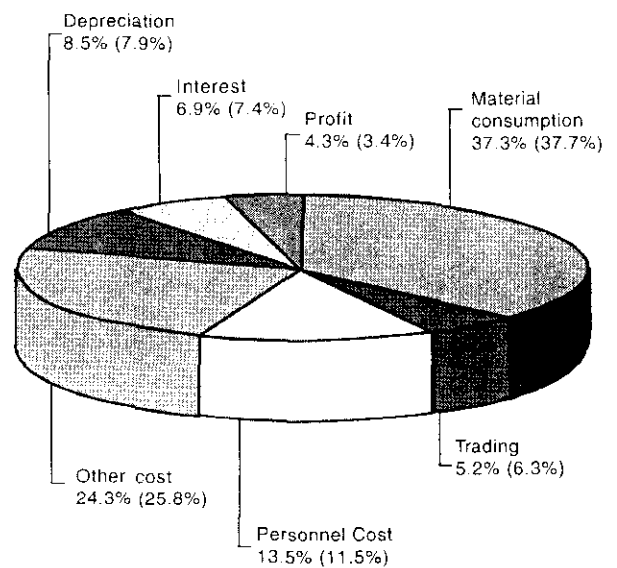
### Net Worth



### Sales (Net)



### How Rupee was spent



Brackets denote previous period's figures

**FAG Bearings India Limited**  
**ANNUAL REPORT**  
**1999**

**FAG**

<b>Contents</b>	<b>Page No.</b>	<b>General Information</b>
General Information	1	<b>Board of Directors</b>
Notice to Members	2	<i>Chairman</i> Dr. Vidya Sagar
Directors' Report	12	<i>Vice Chairman and Managing Director</i> Jal R. Patel
Auditors' Report	17	Dr. Martin Creydt
Balance Sheet	20	Frank Huber
Profit and Loss Account	21	Georg Konstantinou
Schedules	22	Dr. Martin Kunzmann
Cash Flow Statement	36	Dr. Uwe Loos
10 Years' Highlights	38	Dr. Gerhard Vogel
Distribution & Analysis of Shareholding	39	<i>Nominee of GIC</i> Swarup N. Mathur
Investor Guide	40	<i>Nominee of IDBI</i> Sumanth P. Tawde
		<i>Alternate to Dr. M.Creydt</i> Yezad S. Kapadia
		<i>Alternate to F. Huber</i> Sampath Kumar
		<i>Alternate to G.Konstantinou</i> Brijendra N. Vidholia
		<i>Alternate to Dr. M.Kunzmann</i> Jagannath Damaraju
		<i>Alternate to Dr. U. Loos</i> Kamlesh C. Tapadar
		<i>Alternate to Dr. G. Vogel</i> Sanjay V. Joglekar
		<i>Secretary</i> Hemant R. Shukla
		<i>Bankers</i> Union Bank of India
		State Bank of India
		ICICI Bank Ltd.
		Central Bank of India
		Deutsche Bank
		<i>Auditors</i> A. F. Ferguson & Co.
		<i>Cost Auditors</i> B. J. D. Nanabhoy & Co.
		<i>Tax Auditors</i> O. P. Rathi & Co.
		<i>Solicitors</i> Mulla & Mulla & Craigie Blunt & Caroe
		Remfry & Sagar
		<i>Collaborators</i> FAG OEM Und Handel AG, Germany
Registered Office :		<i>Registrar and Transfer Agents</i> PCS Industries Ltd.
Nariman Bhavan, 8th Floor,		'Ashirwad' 18, Ganga Park, Race Course
227, Backbay Reclamation,		Gotri Road, Baroda - 390 015.
Nariman Point,		
Mumbai - 400 021		<i>Head Office &amp; Works</i> Maneja, Vadodara - 390 013
		<i>Sales Offices</i> Calcutta, Chennai, Mumbai, New Delhi, Pune

## FAG Bearings India Limited

### Notice to Members

Notice is hereby given that the Thirty-Seventh Annual General Meeting of FAG BEARINGS INDIA LIMITED will be held on Thursday, April 27, 2000 at 3.00 p.m. at M.C. Ghia Hall, 18/20 Kaikhushru Dubash Marg, Mumbai-400 023 to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the balance sheet as at December 31, 1999 and the profit and loss account for the year ended on that date, and the reports of the Auditors and the Board of Directors thereon.
2. To declare dividend for the year ended December 31, 1999.
3. To appoint a Director in place of Dr. M. Creydt who retires by rotation, and is eligible for reappointment.
4. To appoint a Director in place of Mr. F. Huber who retires by rotation, and is eligible for reappointment.
5. To appoint a Director in place of Dr. V. Sagar who retires by rotation, and is eligible for reappointment.
6. To reappoint Messrs A.F. Ferguson and Co., Chartered Accountants, as auditors and to authorise the Board of Directors to fix their remuneration.

#### SPECIAL BUSINESS

7. To appoint a Director in place of Dr. M. Kunzmann, who was appointed as an additional director of the Company by the Board of Directors on April 17, 1999, pursuant to Article 126 of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting of the Company under Section 260 of the Companies Act, 1956. The Company has received notice in writing under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director.
8. To consider, and if thought fit, to pass the following resolution with or without modification as an Ordinary Resolution.

"RESOLVED THAT pursuant to Sections 198, 269, 309 and 311 and Schedule XIII of the Companies Act, 1956 (hereinafter referred to as the Act) as amended and other applicable provisions, if any, of the said Act, the approval of the Company be and is hereby accorded to the reappointment of Mr. J.R. Patel as the Vice Chairman and Managing Director of the Company (hereinafter referred as the Vice Chairman and Managing Director) for a period of two years with effect from September 1, 1999 on such remuneration as may be determined by the Board of Directors from time to time within the maximum limits specified below-

By way of salary a maximum of Rs. 18 lacs (Rupees eighteen lacs) and by way of commission at the rate of 50% of salary, a maximum of Rs. 9 lacs (Rupees nine lacs only) per annum.

#### PROVIDED HOWEVER THAT

- a. In addition to the above, the Vice Chairman and Managing Director shall also be entitled to perquisites in the form of fully furnished accommodation, gas, electricity, water and furnishings, leave travel concession for self and family, club fees, personal accident insurance and other allowances and reimbursements in accordance with the Rules of the Company, the aggregate value of such perquisites being restricted to Rs. 5 lacs (Rupees five lacs only) per annum.
- b. For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income Tax rules wherever applicable. In the absence of any such rule, perquisites shall be evaluated at actual cost.
- c. Medical expenses  
Reimbursement of actual medical expenses incurred in India and/or abroad (subject to the Exchange Control Regulations) and including hospitalisation, nursing home and surgical charges for himself, wife and dependant children within the overall limit of Rs. 5 lacs p.a. for all perquisites.
- d. Provision for use of Company's car for official duties and telephone at residence (including cost of local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the above ceiling.
- e. Company's contribution to Provident Fund and Superannuation Fund to extent these, singly or together, are not taxable under the Income Tax Act, provision/payment of Gratuity and encashment of leave, long service reward and retirement gifts shall be in addition to the limits for remuneration or perquisites aforesaid.
- f. The Board of Directors may in their discretion, pay to the Vice Chairman and Managing Director lower remuneration than the maximum remuneration hereinbefore stipulated and increase the same from time to time within the maximum limits stipulated by this resolution.



"RESOLVED FURTHER THAT subject to the approval of the Central Government, if required, the salary, commission and perquisites set out above be paid or granted to Mr. Patel as minimum remuneration notwithstanding the provisions of Part II Section II of Schedule XIII of the Act, for any financial year during the tenure of Mr. Patel, when the Company has no profit or inadequate profit".

"PROVIDED FURTHER THAT if in any financial year, when the Company has no profit or inadequate profit, the Vice Chairman and Managing Director shall also be eligible to the following perquisites which shall not be included in the computation of the ceiling on minimum remuneration specified above.

- a. Contribution to Provident Fund and Superannuation Fund to the extent these, singly or together, are not taxable under the Income-Tax Act, 1961,
- b. Gratuity payable at the rate not exceeding half a month's salary for each completed year of service and
- c. Encashment of leave at the end of the tenure.

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

"RESOLVED THAT pursuant to Sections 198,269, 283(1)(i), 309, 313, 314 and Schedule XIII of the Companies Act, 1956 (hereinafter referred to as the Act) as amended and other applicable provisions, if any, of the said Act, the approval of the Company be and is hereby accorded to the appointment of Mr. D. Jagannath as the Alternate Director of the Company (hereinafter referred as the Alternate Director) to Dr. M. Kunzmann or any other Director with effect from December 3, 1999 on such remuneration as may be determined by the Board of Directors from time to time within the maximum limits specified below-

By way of salary (including dearness allowance) a maximum of Rs. 7.5 lacs (Rupees seven lacs fifty thousand only) per annum.

#### PROVIDED HOWEVER THAT

- a. In addition to the above, the Alternate Director shall also be entitled to perquisites in the form of fully furnished accommodation or rent/ allowance in lieu thereof, gas, electricity, furnishings, leave travel concession for self and family, medical reimbursement, personal accident insurance and other allowances and reimbursements in accordance with the Rules of the Company, the aggregate value of such perquisites being restricted to Rs. 4.0 lacs (Rupees four lacs only) per annum.
- b. For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income Tax rules wherever applicable. In the absence of any such rule, perquisites shall be evaluated at actual cost.
- c. Provision of Company's car for official duties and telephone at residence (including cost of local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the above ceiling.
- d. Company's contribution to provident Fund and Superannuation Fund to extent these, singly or together are not taxable under the Income Tax Act and provision/payment of Gratuity and encashment of leave, shall be in addition to the limits for remuneration or perquisites aforesaid.
- e. The Board of Directors may in their discretion, pay to the Alternate Director lower remuneration than the maximum remuneration hereinbefore stipulated and increase the same from time to time within the maximum limits stipulated by this resolution.
- f. The Alternate Director shall also be entitled to performance bonus not exceeding Rs. 2.5 lacs per annum which may be decided by the Vice Chairman and Managing Director in accordance with the rules as applicable to Senior Managers of the Company from time to time and the same shall be in addition to the limits of remuneration or perquisites aforesaid.

"RESOLVED FURTHER THAT notwithstanding Mr. D. Jagannath vacating office of Alternate Director either due to retirement (including resignation) of original Director or on visit to the State of the original Director, and notwithstanding his subsequent (re)/appointment by the Board, he shall continue to receive the same remuneration as decided by the Board from time to time either as a Vice President of the Company OR as Vice President and Alternate Director if (re)/appointed by the Board".

"RESOLVED FURTHER THAT subject to the approval of the Central Government, if required, the salary, perquisites, benefits and amenities set out above be paid or granted to Mr. D. Jagannath as minimum remuneration notwithstanding the provisions of Part II Section II of Schedule XIII of the Act, for any financial year during the tenure of Mr.D. Jagannath, when the Company has no profit or inadequate profit".

"PROVIDED FURTHER THAT if in any financial year, when the Company has no profit or inadequate profit, the Alternate Director shall also be eligible to the following perquisites which shall not be included in the computation of the ceiling on minimum remuneration specified above.

## FAG Bearings India Limited

- a. Contribution to Provident Fund and Superannuation Fund to the extent these, singly or together, are not taxable under the Income-Tax Act, 1961,
- b. Gratuity payable at the rate not exceeding half a month's salary for each completed year of service and
- c. Encashment of leave at the end of the tenure.

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

"RESOLVED THAT pursuant to Sections 198, 269, 283(1)(l), 309, 313, 314 and Schedule XIII of the Companies Act, 1956 (hereinafter referred to as the Act) as amended and other applicable provisions, if any, of the said Act, the approval of the Company be and is hereby accorded to the appointment of Mr. S.V. Joglekar as the Alternate Director of the Company (hereinafter referred as the Alternate Director) to Dr. G. Vogel or any other Director with effect from December 3, 1999 on such remuneration as may be determined by the Board of Directors from time to time within the maximum limits specified below-

By way of salary (including dearness allowance) a maximum of Rs. 7.5 lacs (Rupees seven lacs fifty thousand only) per annum.

## PROVIDED HOWEVER THAT

- a. In addition to the above, the Alternate Director shall also be entitled to perquisites in the form of fully furnished accommodation or rent/ allowance in lieu thereof, gas, electricity, furnishings, leave travel concession for self and family, medical reimbursement, personal accident insurance and other allowances and reimbursements in accordance with the Rules of the Company, the aggregate value of such perquisites being restricted to Rs. 4.0 lacs (Rupees four lacs only) per annum.
- b. For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income Tax rules wherever applicable. In the absence of any such rule, perquisites shall be evaluated at actual cost.
- c. Provision of Company's car for official duties and telephone at residence (including cost of local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the above ceiling.
- d. Company's contribution to Provident Fund and Superannuation Fund to extent these, singly or together are not taxable under the Income Tax Act and provision/payment of Gratuity and encashment of leave, shall be in addition to the limits for remuneration or perquisites aforesaid.
- e. The Board of Directors may in their discretion, pay to the Alternate Director lower remuneration than the maximum remuneration hereinbefore stipulated and increase the same from time to time within the maximum limits stipulated by this resolution.
- f. The Alternate Director shall also be entitled to performance bonus not exceeding Rs. 2.5 lacs per annum which may be decided by the Vice Chairman and Managing Director in accordance with the rules as applicable to Senior Managers of the Company from time to time and the same shall be in addition to the limits of remuneration or perquisites aforesaid.

"RESOLVED FURTHER THAT notwithstanding Mr. S.V. Joglekar vacating office of Alternate Director either due to retirement (including resignation) of original Director or on visit to the State of the original Director, and notwithstanding his subsequent (re)/appointment by the Board, he shall continue to receive the same remuneration as decided by the Board from time to time either as a Vice President of the Company OR as Vice President and Alternate Director if (re)/appointed by the Board."

"RESOLVED FURTHER THAT subject to the approval of the Central Government, if required, the salary, perquisites, benefits and amenities set out above be paid or granted to Mr. S.V. Joglekar as minimum remuneration notwithstanding the provisions of Part II Section II of Schedule XIII of the Act, for any financial year during the tenure of Mr. S.V. Joglekar, when the Company has no profit or inadequate profit".

"PROVIDED FURTHER THAT if in any financial year, when the Company has no profit or inadequate profit, the Alternate Director shall also be eligible to the following perquisites which shall not be included in the computation of the ceiling on minimum remuneration specified above.

- a. Contribution to Provident Fund and Superannuation Fund to the extent these, singly or together, are not taxable under the Income-Tax Act, 1961,
- b. Gratuity payable at the rate not exceeding half a month's salary for each completed year of service and
- c. Encashment of leave at the end of the tenure.

# ANNUAL REPORT

## 1999

FAG

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

"RESOLVED THAT pursuant to Sections 198, 269, 283(1)(l), 309, 313, 314 and Schedule XIII of the Companies Act, 1956 (hereinafter referred to as the Act) as amended and other applicable provisions, if any, of the said Act, the approval of the Company be and is hereby accorded to the appointment of Mr. B.N. Vidholia as the Alternate Director of the Company (hereinafter referred as the Alternate Director) to Mr. G. Konstantinou or any other Director with effect from December 3, 1999 on such remuneration as may be determined by the Board of Directors from time to time within the maximum limits specified below-

By way of salary (including dearness allowance) a maximum of Rs. 7.5 lacs (Rupees seven lacs fifty thousand only) per annum.

### PROVIDED HOWEVER THAT

- a. In addition to the above, the Alternate Director shall also be entitled to perquisites in the form of fully furnished accommodation or rent/ allowance in lieu thereof, gas, electricity, furnishings, leave travel concession for self and family, medical reimbursement, personal accident insurance and other allowances and reimbursements in accordance with the Rules of the Company, the aggregate value of such perquisites being restricted to Rs. 4.0 lacs (Rupees four lacs only) per annum.
- b. For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income Tax rules wherever applicable. In the absence of any such rule, perquisites shall be evaluated at actual cost.
- c. Provision of Company's car for official duties and telephone at residence (including cost of local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the above ceiling.
- d. Company's contribution to Provident Fund and Superannuation Fund to extent these, singly or together are not taxable under the Income Tax Act and provision/payment of Gratuity and encashment of leave, shall be in addition to the limits for remuneration or perquisites aforesaid.
- e. The Board of Directors may in their discretion, pay to the Alternate Director lower remuneration than the maximum remuneration hereinbefore stipulated and increase the same from time to time within the maximum limits stipulated by this resolution.
- f. The Alternate Director shall also be entitled to performance bonus not exceeding Rs. 2.5 lacs per annum which may be decided by the Vice Chairman and Managing Director in accordance with the rules as applicable to Senior Managers of the Company from time to time and the same shall be in addition to the limits of remuneration or perquisites aforesaid.

"RESOLVED FURTHER THAT notwithstanding Mr. B. N. Vidholia vacating office of Alternate Director either due to retirement (including resignation) of original Director or on visit to the State of the original Director, and notwithstanding his subsequent (re)/appointment by the Board, he shall continue to receive the same remuneration as decided by the Board from time to time either as a Vice President of the Company OR as Vice President and Alternate Director if (re)/appointed by the Board".

"RESOLVED FURTHER THAT subject to the approval of the Central Government, if required, the salary, perquisites, benefits and amenities set out above be paid or granted to Mr. B.N. Vidholia as minimum remuneration notwithstanding the provisions of Part II Section II of Schedule XIII of the Act, for any financial year during the tenure of Mr. B.N. Vidholia, when the Company has no profit or inadequate profit".

"PROVIDED FURTHER THAT if in any financial year, when the Company has no profit or inadequate profit, the Alternate Director shall also be eligible to the following perquisites which shall not be included in the computation of the ceiling on minimum remuneration specified above.

- a. Contribution to Provident Fund and Superannuation Fund to the extent these, singly or together, are not taxable under the Income-Tax Act, 1961,
- b. Gratuity payable at the rate not exceeding half a month's salary for each completed year of service and
- c. Encashment of leave at the end of the tenure.

12. To consider and, if thought fit, to pass, the following Resolution with or without modifications 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 in the following manner :

**FAG Bearings India Limited****(1) INSERTION OF ARTICLE 57A.**

The following new Article 57A be inserted after the present Article 57.

**57A - Dematerialisation of Securities.****A. Definitions :** For the purpose of this Article

- (i) 'Beneficial Owner' means a person whose name is recorded as such with a depository;
- (ii) 'SEBI' means the Securities and Exchange Board of India;
- (iii) 'Bye-laws' means bye-laws made by a depository under Section 26 of the Depositories Act, 1996;
- (iv) 'Depositories Act' means the Depositories Act, 1996, including any statutory modifications or re-enactment thereof for the time being in force;
- (v) 'Depository' means a company formed and registered under the Companies Act, 1956, which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992;
- (vi) 'Record' includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the SEBI;
- (vii) 'Regulations' means the regulations made by the SEBI;
- (viii) 'Security' means such security as may be specified by the SEBI.

**B. Dematerialisation of securities:**

Either on the Company or on the investor exercising an option to hold securities with a depository in a dematerialised form, the Company shall enter into an agreement with the depository to enable the investor to dematerialise the securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act, 1996.

**C. Options to receive security certificates or hold securities with depository:**

Every person subscribing to securities offered by the Company shall have the option to receive the security certificates or hold securities with a depository.

Where a person opts to hold security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of such information the depository shall enter in its record the name of the allottee as the beneficial owner of that security.

**D. Securities in depositories to be in fungible form:**

All securities held by a depository shall be dematerialised and shall be in a fungible form;

Nothing contained in Sections 153, 153A, 153B, 187B and 187C of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

**E. Rights of depositories and beneficial Owners:**

1. Notwithstanding anything to the contrary contained in the Articles, a depository shall be deemed to be a registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner;
2. Save as otherwise provided in 1 above, the depository as the registered owner shall not have any voting rights or any other rights in respect of securities held by it;
3. Every person holding securities of the Company and whose name is entered as beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of the securities held by a depository.

**F. Depository to furnish information:**

Every depository shall furnish to the Company information about the transfer of securities in the name of the beneficial owner at such intervals and in such manner as may be specified by the



bye-laws and the Company in that behalf by means of electronic mode or by delivery of floppies or disks.

**G. Option to opt out in respect of any security.**

If a beneficial owner seeks to opt out of a depository in respect of any security, the beneficial owner shall inform the depository and the Company accordingly;

The depository shall on receipt of information as above make appropriate entries in its records and shall inform the Company;

The Company shall, within thirty (30) days of receipt of intimation from the depository and on fulfilment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.

**H. Sections 84 and 108 of the Act not to apply:**

Notwithstanding anything to the contrary contained in the Articles;

1. Section 84 of the Act regarding Certificate of shares shall not apply to the securities held with a depository;
2. Section 108 of the Act regarding instruments of Transfer shall not apply to transfer of security effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of a depository.

**I. Register and Index of beneficial owners:**

The Register and Index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996 shall be deemed to be an Index and Register of Members and Security holders for the purposes of the Act.

**(2) INSERTION OF ARTICLE 57B**

The following new Article 57B be inserted after the proposed Article 57A.

**57B - Nomination**

Notwithstanding anything stated in Articles 45 to 57, a holder or joint holders of shares or debentures, may nominate, in accordance with the provisions of Section 109A of Companies Act, 1956, 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 109 B of Companies Act, 1956.

**(3) REPLACEMENT OF ARTICLE 188**

Article 188 of the Articles of Association be deleted and in place and stead thereof the following Article 188 be substituted viz:-

**188. Dividends how remitted**

Unless otherwise directed any dividend may be paid by cheque or warrant or by a pay-slip or receipt having the force of a cheque or warrant, sent through post or by electronic mode (ECS) of Reserve Bank of India to the registered address of the member or person entitled or in case of joint-holders to that one of them first named in the Register in respect of the joint holding. Every such cheque or warrant shall be made payable to the Order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or pay-slip or receipt lost in transmission, or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any pay-slip or receipt or the fraudulent recovery of the dividend by any other means.

Registered Office:  
Nariman Bhavan, 8<sup>th</sup> floor  
227, Backbay Reclamation  
Nariman Point  
MUMBAI-400 021

By Order of the Board

H R Shukla  
Secretary

Date : February 17, 2000

**FAG Bearings India Limited****NOTES:**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
2. The instrument of proxy, duly completed, should be lodged at the Registered Office of the Company not less than forty eight hours before the commencement of the Annual General Meeting.
3. The relevant Explanatory Statement, pursuant to Section 173 of the Companies Act, 1956 in respect of the business under item No. 7 to 12 set out above, is annexed hereto.
4. The Register of members and Share Transfer Book of the Company will remain closed from April 20, 2000 to April 27, 2000 (both days inclusive).
5. Dividend on equity shares, if declared, will be made payable on or before May 26, 2000 and will be paid to those shareholders whose names appear on the Register of Members as on April 27, 2000.
6. Pursuant to the amendment to the Section 205A of the Companies Act, 1956, all unclaimed dividends will be transferred to the Investor Education and Protection Fund, as required by the Act by the date applicable thereto on establishment of the Fund by the Central Government. Prior to such transfer, the Company would inform the shareholder concerned the particulars of the unclaimed dividend. Shareholders who have not encashed the dividend warrants for 1995-96, 1996-97, 1997-98 or 1998 are requested to claim the amount from the Company immediately. Unclaimed dividends for 1994-95 and earlier years were deposited in time by the Company with General Revenue Account of the Central Government and shareholders may claim the same from the Registrar of Companies, Mumbai-400 033.
7. Articles of Association with proposed alterations, the proposed contract with Mr. J.R. Patel, Vice Chairman and Managing Director and the proposed contracts with the three Alternate Directors are available for inspection by the members at the Registered Office of the Company between 10.00 a.m. and 12.00 noon on all working days except Saturdays till the Annual General Meeting.
8. Members are also requested to intimate consolidation of different registered folios, if any, immediately to the Registrars and Transfer Agents of the Company.
9. Members are requested to intimate change, if any, in their registered address or bank accounts.
10. Shareholders are requested to bring their copies of Annual Report to the meeting.
11. Nomination facility is permitted by the Companies Act. The Company has amended the Articles of Association to implement this. The shareholders are requested to send their nomination forms to the Registrars. They may also ask for a copy of such form.
12. Electronic Clearing Services (ECS) has been permitted by Reserve Bank of India in many cities. The Company is ready to offer this service to the shareholders. Shareholders may fill up the Option Form and send it to the Registrar by April 27, 2000.
13. The Company will be entering into agreements with National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialisation of equity shares. The Shareholders should contact their DP (Depository Participant) for the demat of their equity shares.
14. Equity shares of the Company are listed on the Stock Exchange, Mumbai.

**Annexure to Notice**

Explanatory statement under Section 173 of the Companies Act, 1956 relating to the Special Business mentioned in the notice convening the Annual General Meeting.

**Item No. 7**

Dr. M. Kunzmann is the Member of Managing Board of FAG OEM Und Handel AG, Germany. On April 17, 1999 your Directors appointed Dr. M. Kunzmann as an Additional Director on the Board. In terms of Section 260 of Companies Act, 1956, he ceases to hold the office of the Director at this Annual General Meeting. Your Directors recommend his election as a Director. A notice in writing from a member proposing his candidature for the appointment as Director and his consent to act as Director, if appointed, have been received by the Company. Except Dr. M. Kunzmann, no other Director is concerned or interested in this resolution.