**Board of Directors**

G. C. Bhura	Chairman
Dasho Wangchuk Dorji	Managing Director
Dasho Ugen Dorji	Director
Dasho Topgyal Dorji	Director
Prem Sagar	Director
Hardyal Doegar	Director
K. N. Malhotra	Director
Vinay Killa	Director
P. S. Rawat	Director (Alternate to Dasho Ugen Dorji)
A. Doegar	Director (Alternate to Hardyal Doegar)

Company Secretary cum Finance Manager

R. Chakravorty

Bankers

Canara Bank
Standard Chartered Bank
State Bank of India
United Bank of India
Vijaya Bank

Auditors

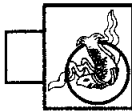
Ray & Ray
Chartered Accountants
Kolkata

Solicitors

H. K. Mitter
Kolkata

Registered Office

53A, Mirza Ghalib Street,
Kolkata-700 016



NOTICE

NOTICE is hereby given that the eighteenth Annual General Meeting of the members of Tai Industries Limited will be held at Niranjana Sadan, Bijoygarh, Jadavpur, Kolkata-700 032 on Monday, 10th September, 2001 at 10.00 a.m. to transact the following business :

*** ORDINARY BUSINESS**

1. To consider and adopt the Balance Sheet as at 31st March, 2001 and the Profit & Loss Account for the year ended on that date together with the reports of the Directors and the Auditors thereon.
2. To declare a dividend.
3. (a) To appoint a Director in place of Mr. Hardyal Doegar, who retires by rotation and, being eligible, offers himself for reappointment.
- (b) To appoint a Director in place of Dasho Topgyal Dorji who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration. Messrs. Ray & Ray the retiring Auditors are eligible for reappointment.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution :

"RESOLVED that Mr. Vinay Killa, in respect of whom the Company has received a notice in writing, along with a deposit of Rs. 500, from a member proposing Mr. Vinay Killa as a candidate for the office of Director under Section 257 of the Companies Act, 1956, and who is eligible for appointment to the office of Director, be and is hereby appointed a Director of the Company."

6. To consider and, if thought fit, to pass with or without modifications, the following resolution as a special resolution.

"RESOLVED THAT pursuant to the applicable provisions of the Foreign Exchange Management Act, 1999 (FEMA), the Companies Act, 1956 and all other applicable rules, regulations, guidelines and laws (including any statutory modification or re-enactment thereof for the time being in force) and subject to all applicable approvals, permissions and sanctions and subject also to such conditions as may be prescribed by any of the concerned authorities while granting such approvals, permissions, sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'the Board'), the consent of the Company be and is hereby accorded to investments by Foreign Institutional Investors including their sub-accounts (hereinafter referred to as the 'FIIs'), in the shares by purchase or acquisition from the market under the Portfolio Investment Scheme under FEMA, subject to the condition that the total holding of all FIIs put together shall not exceed 49% of the paid up equity capital of the Company or such other maximum limit as may be prescribed from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all documents as may be necessary, proper or expedient for the purpose of giving effect to the resolution and for matters connected therewith or incidental thereto."

7. To consider and, if thought fit, to pass with or without modifications, the following resolution as a special resolution :

"RESOLVED THAT pursuant to the applicable provisions of the Foreign Exchange Management Act, 1999 (FEMA), the Companies Act, 1956 and all other applicable rules, regulations, guidelines and laws (including any statutory modification or re-enactment thereof for the time being in force) and subject to all applicable approvals, permissions and sanctions and subject also to such conditions as may be prescribed by any of

Tai Industries Limited



the concerned authorities while granting such approvals, permissions, sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'the Board'), the consent of the Company be and is hereby accorded to investments by a Non-resident Indian (NRI) or an Overseas Corporate Body (OCB) in the shares by purchase or acquisition from the market under the Portfolio Investment Scheme under FEMA, subject to the condition that the shares purchased by each NRI or OCB does not exceed 5 per cent and collectively 10 per cent of the paid up capital of the Company provided, however, that aggregate ceiling of 10 per cent may be raised to 24 per cent of the paid up capital of the Company, or such other maximum limit as may be prescribed from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all documents as may be necessary, proper or expedient for the purpose of giving effect to the resolution and for matters connected therewith or incidental thereto."

8. To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution :

"RESOLVED THAT in partial modification of the resolution No. 6 passed at the Annual General Meeting of the members of the Company held on 25th September 2000 in respect of remuneration pursuant to the provisions of Sections 198, 309, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to such other approvals as may be necessary, the revision in the remuneration in the form of salary and other perquisites payable to Dasho Wangchuk Dorji, Managing Director with effect from 1st July 2001 till 19th May 2005 or until the date of retirement or resignation, whichever is earlier, as have been set out in the Explanatory Statement to this Notice, be and is hereby approved with such modification as may be agreed to by the Board of Directors of the Company and Dasho Wangchuk Dorji."

9. To consider and, if thought fit, to pass with or without modifications, the following resolution as a special resolution :

"RESOLVED THAT pursuant to section 149(2A) of the Companies Act, 1956, approval of the Company be and is hereby accorded to the Board of Directors for commencing and undertaking all or any of the business specified in sub-clause 3 of clause III(C) of the Memorandum of Association of the Company as and when deemed fit by the Board of Directors of the Company".

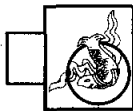
10. To consider and, if thought fit, to pass with or without modification, the following resolution as a special resolution :

"RESOLVED THAT pursuant to section 163 of the Companies Act, 1956 (hereinafter called 'the Act'), the Company hereby approves that the Register of Members, Indices of Members, copies of all Annual Returns prepared by the Company under section 159 of the Act together with copies of all certificates and documents required to be annexed thereto under section 161 of the Act or any one or more of them be kept with effect from 1st May, 2001 at the offices of MCS Limited, Registrars and Transfer Agent of the Company, at 77/2A, Hazra Road, Kolkata-700 029 instead of at the Registered Office of the Company.

RESOLVED FURTHER THAT the Registers, Indices of Members, Returns, Books, certificates and documents of the Company required to be maintained and kept open for inspection by the members and/or any person entitled thereto under the Act, be kept open for such inspection, at the place where they are kept to the extent in the manner and on payment of the fees, if any, specified in the Act between 11.00 a.m. to 1.00 p.m. on any working day (excluding Saturday) and except when the registers and books are closed under the provisions of the Act and/or the Articles of Association of the Company.

11. 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 follows :



(a) The following definitions be added to Article 3 :

Beneficial Owner	"Beneficial Owner" shall mean the beneficial owner as defined in clause (a) of sub-section (1) of section 2 of the Depositories Act, 1996.
Depositories Act	"Depositories Act" shall mean the Depositories Act, 1996 and any statutory modification or re-enactment thereof.
Depository	"Depository" shall mean a Depository as defined in clause (e) of sub-section(1) of section 2 of the Depositories Act, 1996.
Member	"Member" shall mean the duly registered holder from time to time of the shares of the Company and shall include the subscribers of the Memorandum of the Company and the beneficial owner(s) as defined in clause (a) of sub-section(1) of section(2) of the Depositories Act, 1996.
Register of Members	"Register of Members" shall mean the register of members required to be maintained pursuant to the Act and shall include the Register of Beneficial Owners maintained by a Depository under the Depositories Act 1996 in respect of the Company's shares being held in a dematerialised form.
Register and Index of Members	The Company shall cause to be kept a register and index of members in accordance with all applicable provisions of the Companies Act, 1956 with details of shares held in material or dematerialised forms in any media as may be permitted by law, including in any form of electronic media.

The Company shall also be entitled to keep in any State or country outside India a branch Register of Members resident in that State or country.

(b) Article 8 of the Articles of Association shall be substituted by the following :

"Shares to be numbered progressively and no share to be sub-divided"	8. The shares in the capital shall be numbered progressively according to their several denominations, provided, however, that the provision relating to progressive numbering shall not apply to the shares which are dematerialised or may be dematerialised in future or issued in future in dematerialised form. Except in the manner hereinbefore mentioned, no share shall be sub-divided. Every forfeited or surrendered share shall be sub-divided. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished".
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(c) Article 14 of the Articles of Association shall be substituted by the following :

"Company not bound to recognise any interest in share other than that of registered holder"	14. Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof. The Board shall be entitled at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them."
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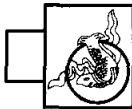
(d) Articles 15(1) and 15(2) shall be amended by addition of the following proviso after Article 15(2):

"Provided however that no share certificate(s) shall be issued for shares held in dematerialised form."

Tai Industries Limited



- (e) After the amended Articles 15(1) and 15(2), the following shall be inserted as Article 15A :
- “Demateriali-
sation/
Rematerialisation** 15A. The Company shall be entitled to dematerialise its existing shares, rematerialise its shares, held in the Depositories and/or offer fresh shares in a dematerialised form, pursuant to the Depositories Act, 1996 and the rules framed hereunder, if any”.
- (f) Articles 16, 17, 18 and 19 shall be amended by addition of the following proviso at the end of each of the said Articles :
- “Provided however that no share certificate(s) shall be issued for shares held in a dematerialised form”.
- (g) After the existing Article 32, the following shall be inserted as Article 32A :
- “Transfer of
Securities on
the Depository** 32A. Nothing contained in the foregoing Articles shall 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.”
- (h) After the existing Article 33, the following shall be inserted as Article 33A :
- “Applicability of
the Depositories
Act** 33A. In the case of transfer of shares, where the Company has not issued any certificates and where such shares, are being held in an electronic or fungible form, the provisions of the Depositories Act, 1996 shall apply.”
- (i) After the amended Article 33A, the following shall be inserted as Article 33B :
- “Register and
Index of
Debentureholders** 33B. The Company shall, if at any time issues debentures, keep a Register and Index of Debentureholders in accordance with section 152 of the Act, and the Depositories Act with details of debentures held in material and dematerialised forms in any media (including electronic media) as may be permitted by law. The Register and Index of Beneficial Owners maintained by a Depository under section 11 of the Depositories Act shall be deemed to be the Register and Index of Debentureholders holding debentures in a dematerialised form for the purpose of the Act. The Company shall have the power to keep in any State or country outside India a Branch Register of Debentureholders resident in that State or Country”.
- (j) After the amended Article 33B, the following shall be inserted as Article 33C :
- “Buy back of
Shares and
Securities** 33C. Save as permitted by sections 77A and 77B of the Act, the Company shall purchase its own shares or other specified securities out of (i) its free reserves; or (ii) the securities premium account, or (iii) the proceeds of any shares or other specified securities, or (iv) otherwise specified by law for the time being in force”.
- (k) After the existing Article 44, the following shall be inserted as Article 44A :
- “Applicability
of the provisions
of the Articles
of Association
to Debentures
and other
securities** 44A. (i) Article 14 as amended shall apply to debentures in the same manner in which it applies to shares and the words ‘Register of Members’ wherever it appears in Article 14 shall be substituted for the words ‘Register of Debentureholders and the words ‘share/shares’ shall be substituted by the words ‘debenture/debentures’.”
- (ii) Article 15A shall apply to debentures in the same manner in which it applies to shares ;



(iii) Article 33A shall apply to debentures in the same manner in which it applies to shares."

(l) After the existing Article 48, the following shall be inserted as Article 48A :

**"Voting Rights
of Beneficial
Owner/Joint
Beneficial
Owner**

48A. A depository as a registered owner shall not have any voting rights in respect of shares held by it in a dematerialised form. However, the beneficial owner as per the Register of Beneficial Owners maintained by a Depository shall be entitled to such rights in respect of the shares or securities held by him in the Depository. Any reference to the member of joint members in the Articles includes a reference to the beneficial owner or the joint beneficial owner in respect of the shares held in a Depository".

(m) After the amended Article 48A, the following shall be inserted as Article 48B :

"Nomination

- 48B. (i) Every holder of shares in or holder of debentures of the Company may, at any time, nominate, in the prescribed manner, a person to whom his shares in, or debentures of the Company shall vest in the event of his death.
- (ii) Where the shares in, or debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company shall vest in the event of death of all the joint holders.
- (iii) Notwithstanding anything contained in any other law for the time being in force or in these Articles or in any disposition, whether testamentary or otherwise, in respect of such shares in or debentures of the Company, where a nomination made in the prescribed manner under the Act purports to confer on any person the right to vest the shares in, or debentures of the Company, the nominee shall on death of the shareholder or debentureholder concerned or on the death of all the joint holders, as the case may be, become entitled to all the rights in relation to such shares in or debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner prescribed under the Act.
- (iv) Where the nominee is a minor, the holder of the shares or holder of the debentures can make a nomination to appoint, in the prescribed manner, any person to become entitled to the shares in, or debentures of the Company, in the event of his death, during the minority.
- (v) Notwithstanding anything contained in these Articles, any person who becomes a nominee may, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect either –
- (a) To be registered himself as holder of the share(s) or debenture(s) as the case may be; or
- (b) To make such transfer of the share(s) or debenture(s) as the deceased shareholder or debentureholder, as the case may be, could have made.
- (vi) If the nominee elects to be registered as holder of the share or



debenture, himself, as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debentureholder, as the case may be.

- (vii) A nominee shall be entitled to the dividend on shares and other advantages to which he would be entitled as if he was the registered holder of the share or debenture. Provided that he shall not, before being registered as a member, be entitled to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board of Directors of the Company may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the shares or debentures and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the shares or debentures until the requirements of the notice have been complied with".

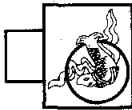
NOTES :

- (a) The explanatory statement, pursuant to section 173 of the Companies Act, 1956, in respect of the special business under item nos. 5 to 11 are set out hereinafter.
- (b) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER.
- (c) The Register of Members and the Share Transfer Books of the Company will remain closed from 13th August, 2001 to 10th September 2001, both days inclusive.
- (d) The dividend on shares, if approved at the meeting, will be paid within the period prescribed under the Companies Act, 1956 to those members whose names appear :
- (i) as members in the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company on or before 12th August, 2001, and
 - (ii) as Beneficial Owners as at the close of business on 12th August, 2001 as per the list to be furnished by the Central Depository Services (India) Limited and/or the National Securities Depository Limited in respect of the shares held in electronic form.

Members are requested to notify immediately any change in their address.

Registered Office :
53A, Mirza Ghalib Street
Kolkata-700 016
29th June, 2001

By Order of the Board
R. Chakravorty
Company Secretary

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM NO. 5**

Mr. Vinay Killa, who had been appointed an Additional Director effective 30th April, 2001, holds office up to the date of this meeting as provided in Article 57A of the Articles of Association of the Company but is eligible for appointment in terms of section 257 of the Companies Act, 1956. The Company had received a notice in writing alongwith a deposit of Rs. 500 from a member signifying his intention to propose the candidature of Mr. Vinay Killa for the office of Director.

Mr. Vinay Killa is 30 years old and is a commerce graduate. He also holds a post graduate diploma in business management. He is associated with several companies as a consultant and is a member of the Kolkata Stock Exchange Association Limited.

The Directors recommend the resolution for adoption.

Apart from Mr. Vinay Killa, no other Director is concerned or interested in the resolution.

ITEM NO. 6

Pursuant to a recent amendment of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, the limit of total holdings of Foreign Institutional Investors (FIIs) has been increased from 40 per cent to 49 per cent of the paid up equity capital of an Indian company, subject to the approval of the Board of Directors and approval of members of the Company by way of a special resolution.

The resolution set out at item 6 of the Notice will enable the FIIs to acquire shares of the Company through authorised dealers within the revised ceiling under the Portfolio Investment Scheme of the Reserve Bank of India.

The Directors recommend the resolution for your approval.

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

ITEM NO. 7

Pursuant to the provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, the aggregate paid up value of shares in the Company purchased by all the Nonresident Indians (NRIs) and the Overseas Corporate Bodies (OCBs) may exceed from the ceiling of 10 per cent to 24 per cent of the paid capital of the Company subject to the approval of its members by way of a special resolution.

The resolution set out at Item 7 of the Notice will enable the NRIs/OCBs to acquire shares of the Company through authorised dealers within the ceiling of 24 per cent under the Portfolio Investment Scheme of the Reserve Bank of India.

The Directors recommend the resolution for your approval.

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

ITEM NO. 8**Explanatory Statement**

At the Annual General Meeting of the Company held on 25th September, 2000, the members had approved the appointment of Dasho Wangchuk Dorji as Managing Director of the Company for a five years with effect from 20th May 2000 on such salary, perquisites and commission, as set out therein :

The Board of Directors at its meeting held on 29th June, 2001 had pursuant to the provisions of Sections 198, 309 and 310 of the Companies Act, 1956, read with Schedule XIII thereto with the consent of Dasho Wangchuk Dorji, Managing Director, varied, altered and modified as follows the remuneration payable to Dasho Wangchuk Dorji for the period from 1st July, 2001 till 19th May, 2005, being the residual period of his current term of appointment.

(i) Salary

Rs. 60,000 per month with annual increment of Rs. 15,000 in the scale of Rs. 60,000 - Rs. 1,05,000.

(ii) **Perquisites**

These shall be restricted to an amount equal to annual salary. Unless, the context otherwise requires the perquisites are classified into three categories 'A', 'B', and 'C' as follows :

CATEGORY 'A'**1. Medical Reimbursement**

Expenses incurred for self and family subject to a ceiling of one month's salary (including premium for mediclaim insurance policy) in a year or three months' salary over a period of three years.

2. Leave Travel Concession

For self and family once a year incurred in accordance with the rules specified by the Company.

3. Club Fees

Fees of Clubs, subject to a maximum of two clubs but not including admission and life membership fees.

4. Personal Accident Insurance

Premium not to exceed Rs. 4000 per annum.

5. Other Allowances

In addition to the perquisites at 1, 2, 3 and 4 above, Dasho Wangchuk Dorji shall be eligible to the following perquisites which shall not be included in the computation of the ceiling on perquisites :

(a) Children's education allowance

In case of children studying in or outside India, an allowance limited to a maximum of Rs. 5,000 per month per child or actual expenses incurred, whichever is less, is admissible. Such allowance is admissible upto a maximum of two children.

(b) Holiday passage for children studying outside India/family staying abroad.

Return holiday passage is admissible once in a year by economy class or once in two years by first class to children from their place of study abroad to India and to the members of the family from the place of their stay abroad to India if they are not residing in India with the Managing Director.

(c) Reimbursement of expenses incurred on joining duty and returning to home country after completion of tenure.

Actual expenses incurred on travel and on packing, forwarding, loading or unloading as well as freight, insurance, customs duty, clearance expenses, local transportation and installation expenses in connection with the moving of personal effect for self and family for joining duty in India may be allowed in case these have not been claimed from the previous employer. After completion of the tenure such expenses may also be allowed if the expatriate is finally leaving the employment of the company. In cases, where the expatriate is joining another branch of the same/related multinational company, the branch to which he is transferred should bear these expenses.

(d) Leave travel concession

In case it is proposed that the leave be spent in home country instead of anywhere in India, return passage may be allowed for self and family in accordance with the rules specified by the Company.

For the purpose of category "A" "family" means the spouse, the dependent children and dependent parents of Dasho Wangchuk Dorji.