



TATA INVESTMENT CORPORATION LIMITED

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63rd Annual Report
1999-2000



TATA INVESTMENT CORPORATION LIMITED

Sixty-third annual report 1999-2000

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BOARD OF DIRECTORS:

Dr. F.A. Mehta (*Chairman*)
 Mr. N.A. Soonawala (*Vice-Chairman*)
 Mr. Pratap Bhogilal
 Mr. P.S. Mistry
 Mr. V.C. Vaidya
 Mr. B.L. Paranjape
 Mr. A.B.K. Dubash
 Mr. K.N. Suntook

Vice President & Company Secretary :

Mr. M.J. Kotwal

Registered Office :

Ewart House,
 22, Homi Mody Street,
 Mumbai 400 001.

Bankers :

Bank of India
 Catholic Syrian Bank
 Central Bank of India
 Citibank N.A.
 Union Bank of India
 Hatton National Bank Ltd., Colombo

Auditors :

Messrs A.F. Ferguson & Co.
 Chartered Accountants

Solicitors :

Messrs Mulla & Mulla and Craigie, Blunt & Caroe

Registrars & Share Transfer Agents :

Tata Share Registry Limited,
 Army & Navy Building,
 148, Mahatma Gandhi Road,
 Mumbai 400 001.

Annual General Meeting on Thursday, the 28th day of September, 2000 at Bombay House Auditorium at 3.30 p.m.

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TATA INVESTMENT CORPORATION LIMITED**NOTICE**

THE SIXTY-THIRD ANNUAL GENERAL MEETING OF TATA INVESTMENT CORPORATION LIMITED will be held at Bombay House Auditorium, Homi Mody Street, Mumbai 400 001, on Thursday, the 28th day of September, 2000, at 3.30 p.m. to transact the following business :-

1. To receive and adopt the Directors' Report and the Audited Profit and Loss Account for the year ended 31st March, 2000, and the Balance Sheet as at that date.
2. To declare a final dividend on Ordinary Shares.
3. To appoint a Director in the place of Mr. B.L. Paranjape, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in the place of Mr. A.B.K. Dubash, who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in the place of Mr. K.N. Suntook, who retires by rotation and is eligible for re-appointment.
6. To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution :—

"RESOLVED that the Authorised Capital of the Company be increased from Rs.14,00,00,000 (Rupees Fourteen crores only) divided into 1,40,00,000 Ordinary Shares of Rs.10/- each to Rs.25,00,00,000 (Rupees Twenty-five crores only) divided into 2,50,00,000 Ordinary Shares of Rs.10/- each by the creation of 1,10,00,000 Ordinary Shares of Rs.10/- each and that Clause V of the Memorandum of Association of the Company be altered accordingly."

7. 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 of the Companies Act, 1956 the Articles of Association of the Company be altered as follows :-

For Article 6, substitute the following Article :-

'6. The present Authorised capital of the Company is Rs.25,00,00,000 (Rupees Twenty-five crores only) divided into 2,50,00,000 Ordinary Shares of Rs.10/- each with power to increase the capital from time to time."

8. 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 and other applicable provisions, if any, of the Companies Act, 1956, and subject to such approvals as may be necessary, remuneration not exceeding 1% per annum of the net profits of the Company computed in accordance with the provisions of the Act, for each of the five financial years of the Company commencing from 1st April, 2000, be paid to and distributed amongst the Directors in such amounts or proportions and in such manner and in all respects, as may be directed, from time to time, by the Board of Directors of the Company.

RESOLVED FURTHER that the remuneration payable as aforesaid shall be exclusive of any fees or remuneration for attendance by the Directors at meetings of the Board and/or any Committee thereof."

9. To appoint Auditors and to fix their remuneration.

Notes:-

- a) The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the business under item Nos. 6 to 8 set out above are annexed hereto.
- b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.



- c) The Register of Members and the Transfer Books of the Company will be closed from Tuesday, the 19th September, 2000, to Monday, the 25th September, 2000, both days inclusive.
- d) If dividend on shares as recommended by the Directors is approved at the Meeting, payment will be made on or after 29th September, 2000 to those Members whose names are on the Company's Register of Members on 19th September, 2000.

By Order of the Board of Directors,
TATA INVESTMENT CORPORATION LIMITED,

M. J. KOTWAL

Vice President & Company Secretary.

Mumbai, 20th June, 2000.

Registered Office :

Ewart House,
Homi Mody Street,
Mumbai 400 001.

EXPLANATORY STATEMENT

As required by Section 173 of the Companies Act, 1956, the following Explanatory Statement set out all material facts relating to the special business mentioned in Item Nos. 6 to 8 of the accompanying Notice dated 20th June, 2000.

Item Nos. 6 & 7 : In order to provide for the increase in capital arising out of the issue of additional Ordinary shares to the erstwhile shareholders of Varuna Investments Ltd. under the Scheme of Amalgamation pending with the High Court, Bombay, it is necessary to increase the Authorised Capital of the Company from Rs.14,00,00,000 to Rs.25,00,00,000 by creation of 1,10,00,000 Ordinary Shares of Rs.10/- each.

A copy of the Memorandum and Articles of Association of the Company together with the proposed amendments is available for inspection at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day of the Company.

Item No. 8 : At the Annual General Meeting held on 7th August, 1995, the Company had, by a Special Resolution passed under Section 309 of the Companies Act, 1956, authorised payment of remuneration not exceeding 1% p.a. of the net profits of the Company computed in accordance with the provisions of the Act, for each of the five financial years of the Company commencing from 1st April, 1990, subject to a ceiling of Rs.5 lacs per annum.

Since 1995 the size and value of the Company's portfolio of investments has increased considerably partly due to the amalgamation of Investa Ltd. and Varuna Investments Ltd. with the Company. Moreover, the new SEBI Regulations, governing listed companies, requires much greater involvement and responsibility of the Directors and their participation in statutory and other committees. It is therefore proposed that in terms of Section 309 of the Companies Act, 1956, the Directors be paid for each of the five financial years of the Company commencing from 1st April, 2000, a remuneration not exceeding 1% per annum of the net profits of the Company computed in accordance with the provisions of the Act, subject to such ceiling per annum as may be fixed by the Board of Directors from year to year. This remuneration will be distributed amongst all or some of the Directors in such proportion and manner as the Board may decide. The payment of the aforesaid remuneration would be exclusive of any fees payable to the Directors for attending meetings of the Board and/or Committees thereof.

All the Directors of the Company may be deemed to be concerned or interested in the Resolution to the extent of the remuneration that may be received by them.

By Order of the Board of Directors,
TATA INVESTMENT CORPORATION LIMITED,

M. J. KOTWAL

Vice President & Company Secretary.

Mumbai, 20th June, 2000.

Registered Office :

Ewart House,
Homi Mody Street,
Mumbai 400 001.

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Tata Investment Corporation Limited**SHAREHOLDER INFORMATION**

1. Annual General Meeting	28th September, 2000 at 3.30 p.m.																					
Date and time	Bombay House Auditorium,																					
Venue	Homi Mody Street, Mumbai 400 001.																					
(Earlier meetings)	6th August, 1999 & 24th September, 1998																					
2. Directors' Information	All the Directors of the Company are non-executive Directors. Dr. F. A. Mehta, Mr. P. S. Mistry & Mr. N. A. Soonawala are also Directors on the Board of the Promoter Company.																					
3. No. of Board/Committee meetings	There were 5 Board meetings and 3 Committee meetings held during the year.																					
4. Committees of the Board																						
Audit Committee	Mr. V.C. Vaidya, Mr. B.L. Paranjape and Mr. K.N. Suntook.																					
Investment Committee	Dr. F.A. Mehta, Mr. P.S. Mistry, Mr. V.C. Vaidya, Mr. N.A. Soonawala & Mr. K.N. Suntook.																					
(Pursuant to Section 292 of the Companies Act, 1956)																						
5. Scheme of Amalgamation of Varuna Investments Ltd. with Tata Investment Corporation Ltd.	The Scheme was sanctioned by the High Court, Bombay, on 14th July, 2000. In accordance with the Scheme, four Ordinary Shares of Rs. 10/- each of Tata Investment Corporation Ltd. are being allotted for one equity share of Rs. 100/- each of Varuna Investments Ltd.																					
6. Dividend payment																						
Interim Dividend	Interim Dividend @ Rs. 5/- per ordinary share (50%) was paid on 29th May, 2000, to the Members of Tata Investment Corporation Ltd. Interim Dividend @ Rs. 2/- per equity share (20%) & Re. 1/- per preference share (10%) (pro-rata) was paid on 30th March, 2000, to the Members of Varuna Investments Ltd.																					
Final Dividend	Final Dividend of Re.1/- per ordinary share (10%) is recommended for payment on the increased ordinary share capital of Rs. 16.41 crores of the amalgamated company.																					
7. Book Closure	From 19th September, 2000 to 25th September, 2000 both days inclusive.																					
8. Stock Exchange Listing	1. The Mumbai Stock Exchange Dalal Street, Mumbai 400 001. 2. The National Stock Exchange of India Ltd. Senapati Bapat Marg, Lower Parel, Mumbai 400 013. Listing fees paid upto the year ended 31st March, 2001, to each of the Stock Exchanges.																					
9. Stock Code	1301																					
10. ISIN	INE672A01018																					
11. Market Price Data	<table><tr><td></td><td>High</td><td>Low</td></tr><tr><td></td><td>Rs.</td><td>Rs.</td></tr><tr><td>April — June, 1999</td><td>113.00</td><td>102.00</td></tr><tr><td>July — September, 1999</td><td>167.00</td><td>103.00</td></tr><tr><td>October — December, 1999</td><td>150.00</td><td>110.35</td></tr><tr><td>January — March, 2000</td><td>133.00</td><td>92.60</td></tr></table>		High	Low		Rs.	Rs.	April — June, 1999	113.00	102.00	July — September, 1999	167.00	103.00	October — December, 1999	150.00	110.35	January — March, 2000	133.00	92.60			
	High	Low																				
	Rs.	Rs.																				
April — June, 1999	113.00	102.00																				
July — September, 1999	167.00	103.00																				
October — December, 1999	150.00	110.35																				
January — March, 2000	133.00	92.60																				
12. Dematerialisation of Shares	The shares of our Company are available for dematerialisation and Agreements have been signed with National Securities Depository Ltd. (NSDL) & Central Depository Systems Ltd. (CDSL). Trading in dematerialised form is compulsory for all investors from 24th July, 2000. The Company (through its Registrars and Share Transfer Agents) provides the facility of simultaneous transfer and dematerialisation of shares and has confirmed the same to NSDL and CDSL.																					
13. CRISIL Rating	'FAAA' (Highest safety in timely payment of interest and principal amount) in respect of Fixed Deposit programme.																					
14. Distribution of Shareholding	<table><tr><td></td><td>No. of shares</td><td>%</td></tr><tr><td>Promoters/Directors/Tata companies</td><td>95,49,348</td><td>58.19</td></tr><tr><td>Financial Institutions/Banks/insurance companies and State Governments</td><td>20,78,378</td><td>12.67</td></tr><tr><td>Non-residents/FIIs</td><td>19,899</td><td>0.12</td></tr><tr><td>Bodies Corporate</td><td>30,09,459</td><td>18.34</td></tr><tr><td>Others</td><td>17,52,982</td><td>10.68</td></tr><tr><td></td><td>1,64,10,066</td><td>100.00</td></tr></table>		No. of shares	%	Promoters/Directors/Tata companies	95,49,348	58.19	Financial Institutions/Banks/insurance companies and State Governments	20,78,378	12.67	Non-residents/FIIs	19,899	0.12	Bodies Corporate	30,09,459	18.34	Others	17,52,982	10.68		1,64,10,066	100.00
	No. of shares	%																				
Promoters/Directors/Tata companies	95,49,348	58.19																				
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Others	17,52,982	10.68																				
	1,64,10,066	100.00																				

DIRECTORS' REPORT

TO

THE MEMBERS

The Directors present their Sixty-third Annual Report with the Audited Statement of Accounts for the year ended 31st March, 2000. It must be noted that the figures for the year ended 31st March, 2000 include the merger of Varuna Investments Ltd. (Varuna) with the Company with effect from 1st April, 1999, subject to the final Order of the High Court, Bombay, which is awaited. *

2. FINANCIAL RESULTS

	(Rs. in Lacs)			
	Tata Investment Corpn. Ltd.	Varuna Investments Ltd.	Merged Company	
	Previous Year 1998-1999	1999-2000	1999-2000	1999-2000
Total Income	2832.33	3459.12	1213.64	4672.76
Profit before tax and long term diminution on investments	2609.44	3189.97	1151.76	4341.73
Less : Long Term diminution on investments	175.56	379.47	—	379.47
Profit before tax	2433.88	2810.50	1151.76	3962.26
Less : Provision for tax	166.34	233.78	7.50	241.28
Profit after tax	2267.54	2576.72	1144.26	3720.98
Balance brought forward from the previous year	320.49	444.09	—	444.09
Amount available for appropriation	2588.03	3020.81	1144.26	4165.07
The Directors have made the following appropriations:				
Transfer to Capital Reserve	—	0.34	—	0.34
Interim dividends				
— on Preference Shares	—	—	299.65	1177.42
— on Ordinary Shares	—	621.57	256.20	
Proposed dividend	621.57	124.31	39.79	164.10
Tax on dividends	68.37	95.72	70.17	165.89
Reserve Fund	454.00	516.00	229.00	745.00
General Reserve	1000.00	880.00	120.00	1000.00
	2143.94	2237.94	1014.81	3252.75
leaving a balance to be carried forward of	444.09	782.87	129.45	912.32
The Directors recommend the payment of a final dividend of Re. 1.00 (10%) per share, on 1,64,10,066 Ordinary Shares for the year ended 31st March, 2000 [previous year : 50% on 1,24,31,305 Ordinary Shares]				
	621.57			164.10

DIVIDEND

- The Directors had at the Board Meeting held on 27th March, 2000, declared an Interim Dividend of 50% (i.e. Rs. 5 per share) on the pre-merger Ordinary Share capital of Rs. 12.43 crores for the year ended 31st March, 2000 — which was paid to the shareholders on 29th May, 2000. Similarly, the Board of Directors of Varuna

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declared and paid interim dividends during the year on their Preference and Ordinary Shares @ 10% and 20% respectively. Thus, the total amount of interim dividends on Ordinary shares and the dividend on Preference shares of Varuna declared and paid by the two companies amounted to Rs. 1,177.42 lacs which, together with the tax on interim dividends @ 11%, accounted for an aggregate payment of Rs. 1,307.21 lacs out of the net profit of the merged company of Rs. 3,720.98 lacs.

4. The Directors now recommend a final dividend of 10% (i.e. Re. 1/- per share) on the increased Ordinary Share capital of Rs. 16.41 crores of the merged company subject to the approval of the Shareholders at the Annual General Meeting — though the payment of this final dividend to the erstwhile Equity shareholders of Varuna will only be made after the merger scheme is finally approved by the High Court, Bombay. In effect, the Ordinary shareholders of the Company will receive a total dividend of 60% for the year 1999-2000 (against 50% for 1998-99) and the erstwhile Equity shareholders of Varuna will receive a total dividend of 24% (against 15% for 1998-99). The total dividends paid (together with tax thereon) will thus amount to Rs. 1507.41 lacs i.e. a pay-out ratio of 40.51%.

OPERATING RESULTS

5. Due to the merger, the total figures for the year under review cannot strictly be compared with those of the previous year. However, the higher figures for the year were also due to a substantial improvement in profits of the Company by itself as seen from the table at the beginning of this report.
6. The total income of the merged company during the year was Rs. 46.73 crores against Rs. 28.32 crores for Tata Investment alone in the previous financial year. The total expenditure during the year was Rs. 7.11 crores against Rs. 3.98 crores for Tata Investment alone in the previous year. The increase in expenditure was mainly because of higher provisions for diminution in value of investments, depreciation and amalgamation expenses.
7. The profit before tax during the year was Rs. 39.62 crores against Rs. 24.34 crores last year. The profit after tax was Rs. 37.21 crores against Rs. 22.68 crores in the previous year. After reducing the preference dividend and tax thereon, the earnings per Ordinary share was Rs. 20.65 on the higher capital compared to Rs. 18.24 per share on the lower capital in the previous year.

INVESTMENT PORTFOLIO

8. A summarised position of the merged Company's portfolio of investments on 31st March, 2000, as against that of Tata Investment alone at the end of the previous year, is given below:-

	31.3.2000	31.3.1999
	(Rs. in crores)	
Book Value -		
Quoted investments	211.59	142.96
Unquoted investments (including unquoted units of UTI/Mutual Funds and application moneys paid)	67.95	50.08
Subsidiary Company	0.07	—
	279.61	193.04
Less : Total provision for long term diminution in value of investments	10.79	4.56
	268.82	188.48
Market value of Quoted investments only	658.09	367.48
Percentage appreciation in value of quoted investments	211%	157%

9. The share market remained volatile during the year under review. The share prices of companies engaged in Information Technology, Communications & Entertainment industry (popularly known as ICE shares) soared upwards, leaving even the FMCG and Pharma companies, which were the fore-runners in the share market in earlier years, lagging behind. The BSE Sensex which was 3740 on 31.3.1999 vaulted to 5041 on 31.3.2000. However, there has been a significant decline in the stock market since the close of the financial year and the BSE Sensex fell to 4864 at the time of this Report — with a corresponding effect on our investment portfolio.
10. Our Company too, has built up a portfolio of ICE shares over the past 2 to 3 years, mostly at relatively lower prices, and account for about 21% of the market value of our quoted investments on 31-3-2000 while FMCG

and Pharma shares account for 10% and the traditional basic industries (which are again gaining some favour) represent 39%. An industry-wise break up of quoted equity shares is shown in the List of Investments given under Schedule E of the Accounts.

11. It may be of interest to our shareholders to note that the Net Asset Value (NAV) of the Company's shares on 31st March, 2000 works out to over Rs. 350 per share but unfortunately this is not at all reflected in the market price of the Company's shares on the stock exchange which was Rs. 93 on that date.
12. The Directors confirm that all investments held by the Company and shown under "Investments" in the Balance Sheet are long term investments and would normally be held for more than one year from the date of acquisition. Unless otherwise decided in specific cases, all investments made in future will also be categorised as long term investments.

DEMATERIALISATION OF SHARES

13. The Company has entered into a Tripartite Agreement with National Securities Depository Ltd. (NSDL) and Tata Share Registry Ltd. (TSRL) on 28th July, 1999, and the shares of our Company are available for dematerialisation with effect from 4th August, 1999. Securities and Exchange Board of India (SEBI) has included the shares of our Company in the list in which trading in dematerialised form is compulsory for all investors with effect from 24th July, 2000. The Company has therefore also entered into a Tripartite Agreement with Central Depository Services Ltd. (CDSL) and TSRL on 9th March, 2000. Consequently, CDSL has also activated the Company's system for dematerialisation with effect from 18th April, 2000. The Ordinary Shares of the Company bear the ISIN "INE672A01018".

AMALGAMATION OF VARUNA INVESTMENTS LTD. WITH TATA INVESTMENT CORPORATION LTD.

14. The Scheme of Amalgamation of Varuna Investments Ltd. with the Company effective from 1st April, 1999, has been approved by the shareholders of both companies and is now subject only to the final Order of the High Court, Bombay. In accordance with the Scheme, 39,78,761 Ordinary shares would be issued and allotted to the erstwhile shareholders of Varuna Investments Ltd. The new shares so issued and allotted will rank pari passu with the existing Ordinary shares of the Company for the full financial year 1999-2000. As a result, the Company's paid-up Ordinary Share capital will increase from Rs. 12.43 crores to Rs. 16.41 crores. The Preference Share capital of Varuna would stand redeemed or cancelled. As on 31st March, 2000, the increase in Ordinary Share Capital by Rs. 3.98 crores is shown as Share Capital Suspense Account in the Balance Sheet.

FIXED DEPOSITS

15. Fixed Deposits from 277 parties amounting to Rs. 34.32 lacs which had matured during the year under report but were not claimed by the depositors, were outstanding at the end of the year. Out of these, 180 deposits aggregating Rs. 21.75 lacs remain outstanding as of date. The Company has sent reminder letters by Registered Post to all the depositors whose deposits have remained unclaimed upto the date of the Report.
16. CRISIL has, for the Fixed Deposit programme of our Company, reaffirmed the 'FAAA' rating which indicates highest safety in timely payment of interest and principal amount of deposits.

SEBI AND RBI REGULATIONS

17. In accordance with the requirements of the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions — 1998, and the new SEBI regulations, the Board has recently set up an Audit-Committee comprising Mr. V. C. Vaidya, Mr. B. L. Paranjape and Mr. K. N. Suntook.
18. There were five meetings of the Board of Directors and three meetings of the Investment Committee of the Board during the year under review.
19. Some relevant information for the shareholders is given separately in this Report.

Y2K COMPLIANCE

20. The new Accounting & Investment Tracking system software had been tested and certified to be Y2K compliant. As a result, the Company did not encounter any breakdown or other problems and all its operations continued uninterrupted, during the year.

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Tata Investment Corporation Limited**OTHER MATTERS**

21. Income-tax assessments upto the Assessment Year 1997-98 have been completed and appeals have been filed wherever necessary.
22. In accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, the names and other particulars of the employees of the Company, in receipt of remuneration of not less than Rupees Six lacs per annum or part thereof for the year under review are set out separately.

DIRECTORS

23. Mr. Jaykrishna Harivallabhdas, a Director of the Company tendered his resignation as a Director of the Company on account of his indifferent health. Mr. Harivallabhdas joined the Board as a Director on 20th October, 1978. During his tenure, his advice and guidance were always very useful to the Board. The Directors place on record their appreciation of the advice and guidance received by the Board during his long tenure as a Director of the Company.
24. Pursuant to the provisions of the Companies Act, 1956, and the Company's Articles of Association, Mr. B. L. Paranjape, Mr. A. B. K. Dubash and Mr. K. N. Suntook, retire by rotation and are eligible for re-appointment.
25. The shareholders at the Annual General Meeting held on 7th August, 1995, had approved the payment of remuneration not exceeding 1% per annum of the net profits of the Company, computed in accordance with the provisions of the Companies Act, 1956, subject to a ceiling of Rs. 5 lacs per annum for a period of 5 years from 1st April, 1995 to 31st March, 2000. This needs to be reviewed and renewed. Since 1995, the size and value of the Company's portfolio of investments has increased considerably partly due to the amalgamation of Investa Ltd. and Varuna Investments Ltd. with the Company. Moreover, the new SEBI regulations governing listed companies requires much greater involvement and responsibility of the Directors and their participation in statutory and other Committees. It is therefore proposed that the Directors be paid for each financial year, a remuneration not exceeding 1% per annum of the net profits of the Company, subject to such ceiling, as may be fixed by the Board from year to year, for the next 5 years. Members' attention is invited to Item No. 8 of the Notice and the related Explanatory Statement.

COMMENTS ON CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

26. Being an investment company, these provisions are not applicable to the Company.

COMMENTS ON FOREIGN EXCHANGE EARNINGS AND OUTGO

27. During the year, the Company sold 2,800 shares of The Swadeshi Industrial Works Ltd., Sri Lanka and realised Sri Lanka Rs. 74.53 lacs (equivalent to Indian Rupees 45.46 lacs) of which Sri Lanka Rs. 10 lacs has been remitted to India. The balance Sri Lanka Rs. 64.53 lacs is in the blocked account with Hatton National Bank, Colombo. The Company has also sold during the year certain other investments resulting in earnings in foreign exchange of Rs. 11.04 lacs.
28. Apart from the above, there were no foreign exchange earnings and outgo other than those mentioned in Notes 3, 5 and 6 to the Accounts.

AUDITORS

29. Shareholders are requested to appoint Auditors for the current year and to fix their remuneration. Messrs. A. F. Ferguson & Company have, under Section 224(1) of the Companies Act, 1956, furnished a certificate of their eligibility for the appointment.

On behalf of the Board of Directors,

F. A. Mehta
Chairman.

Mumbai, 20th June, 2000.

* The High Court, Bombay has since passed the Order on 14th July, 2000, sanctioning the Scheme of Amalgamation.

STATEMENT PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956 AND THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975. (Please refer para 22 of the Directors' Report)

Sr. No.	Name	Designation and nature of Duties	Remuneration Gross Rs.	Received Net Rs.	Qualifications	Age in years	Experience	Date of commencement of employment	Last employment held, designation and period for which post held
1.	Ghadiali K. J.	Chief Accountant	9,43,753	6,06,653	B. Com. (Hons.), A.C.A., A.C.S.	47	23	17.4.1985	Hindustan Ciba Geigy Ltd., (Executive Finance), 3 years.
2.	Kotwal M. J.	Vice President & Company Secretary	9,69,610	6,06,400	B. Sc., LL.B., F.C.S.	52	33	1.1.1984	The Tata Mills Ltd. (Secretary), 3 1/2 years.

- NOTES:** (1) Remuneration received includes salary and other allowances, taxable value of perquisites and contribution to provident and superannuation Funds.
(2) The above calculations do not include gratuity, medical and health insurance benefits, etc. which employees are entitled to as per Company's Rules.
(3) Net remuneration is arrived at by deducting from the gross remuneration, income-tax, company's contribution to provident fund, superannuation fund and the monetary value of the non-cash perquisites.
(4) The employees have adequate experience to discharge the responsibilities assigned to them.
(5) The nature of employment is contractual.

On behalf of the Board of Directors,

F. A. Mehta
Chairman.

Mumbai, 20th June, 2000.

HIGHLIGHTS FOR THE LAST 5 YEARS

	Year ended 31st March,				
	1996	1997	1998	1999	2000
	(Rs. in lacs)				
Total income	2541	2835	2716	2832	4673
Total expenses (including net interest but excluding long term diminution in value of investments)	206	375	283	223	331
Long term diminution in value of investments	—	27	281	175	380
Profit before tax	2335	2433	2152	2434	3962
Provision for tax	557	451	146	166	241
Profit after tax	1778	1982	2006	2268	3721
Ordinary share capital (including share capital suspense A/c.)	1224	1224	1243	1243	1641
Reserves	11742	13118	15413	16991	21331
Net worth per ordinary share (Rs.)	105.96	117.20	133.99	146.68	139.99
Earnings per ordinary share (Rs.)	14.53	16.19	16.14	18.24	20.65
Dividend per ordinary share (%)	35	45	45	50	60
Book value of investments	12744	13592	17084	18848	26882
Realisable value of investments	53056	42691	44470	41300	71532
Debt/Equity ratio	0.18:1	0.15:1	0.17:1	0.12:1	0.15:1
Total number of investments	431	425	453	440	432

Note : Previous years' figures have been re-grouped wherever necessary.