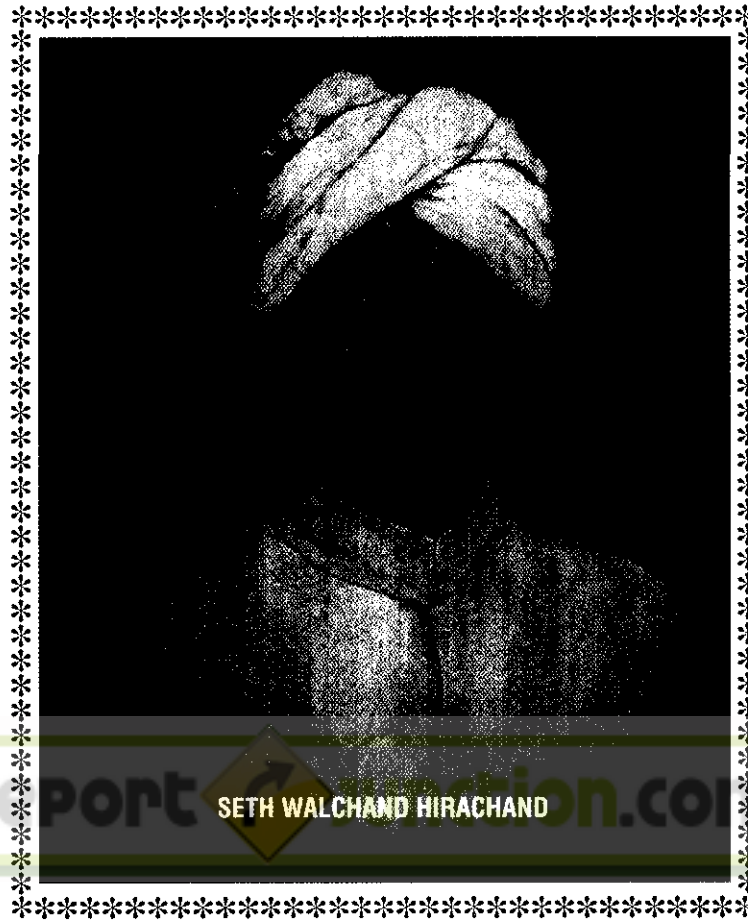


WALCHANDNAGAR

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ANNUAL REPORT 1999-2000

**OUR BUSINESSMAN OF THE MILLENNIUM
and
FOUNDER OF WALCHAND GROUP**



(23-11-1882 to 8-4-1953)

"His life was truly a triumph of persistence over adversity."

Sardar Vallabhbhai Patel

**“निराशा पर आशा, अविश्वास पर विश्वास और दुर्भाग्य पर सौभाग्य की
विजय के प्रतीक.”**

सरदार वल्लभभाई पटेल

BOARD OF DIRECTORS



CHAKOR L. DOSHI
Chairman



VINOD L. DOSHI
Chairman Emeritus



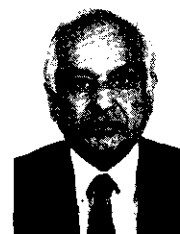
A. U. RIJHSINGHANI
Managing Director



P. M. DANDEKAR



ARVIND R. DOSHI



P. K. BASU



A. R. GANDHI



SHARAYU DAFTARY



D. C. JOSHI

OPERATING MANAGEMENT TEAM

PRESIDENTS

Mr. V. T. Pawar (M.S.G.)
Mr. S. S. Gangavati (BG-I)
Mr. T. S. Sakethan (BG-II)

VICE PRESIDENTS

Mr. A. R. Sood
Engine & Foundry Divn.
Mr. P. P. Patkar
Realty
Mr. G. S. Prakash
Boiler

GENERAL MANAGERS

Dr. V. P. Desai
Corporate Computer Centre
Mr. P. K. Mahadevan
Materials
Mr. R. P. Mondkar
Special Executive (CO)
Mr. J. N. Nandurkar
Personnel & Welfare
Mr. A. A. Naik
Legal
Mr. V. M. Parthasarthy
Special Product Divn.
Mr. A. G. Pradhan
Special Assignments

Mr. M. H. Purwat
Accounts
Mr. V. G. Ratnaparkhi
General Engg. Products
Mr. C. L. Suri
Internal Audit
Mr. A. K. Sood
Gear
Mr. P. Suryanarayan
Boiler
Dr. R. K. Tiwari
Research & Development & P.M.
Mr. J. N. Pitimbare
Sugar Machinery Divn.

**DY. G.M. FINANCE &
DY. COMPANY SECRETARY**
Mr. S. C. Bhagwat

REGISTERED OFFICE/SHARE DEPARTMENT

3, Walchand Terraces,
Tardeo Road,
Mumbai - 400 034.
Tel. No. 4938866/4932931

REGISTRAR & SHARE TRANSFER AGENTS

Intime Spectrum Registry Pvt. Ltd.
260 A Shanti Industrial Estate
Sarojini Naidu Road
Mulund (W), Mumbai - 400 080
Tel. No. 5647731/5672716

MARKETING DIVISION

16, Mahatma Gandhi Road,
Pune - 411 001

FACTORIES

Walchandnagar, Dist. Pune,
Maharashtra
Satara Road, Dist. Satara,
Maharashtra
Attikola, Dist. Dharwad,
Karnataka

AUDITORS

M/s. K. S. Aiyar & Co.

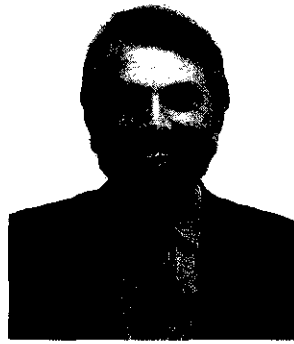
SOLICITORS

M/s. Daphtary Ferreira & Diwan
M/s. Mulla & Mulla & Craigie
Blunt & Caroe
M/s. Kanga & Co.

PRINCIPAL BANKERS

Bank of India
Syndicate Bank
United Bank of India
Bank of Maharashtra
Canara Bank
Bank of Baroda
Dena Bank

CHAIRMAN'S STATEMENT



Dear Members,

It is my pleasure to welcome you all to this 92nd Annual General Meeting of the Company.

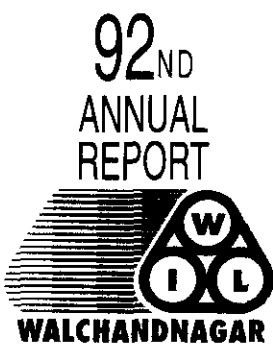
In my statement last year, I had touched upon the aspect of difficulties in execution of orders on hand on account of liquidity problems faced by the customers and deferment of certain projects. The situation in the year under review was no better, but on account of various cost control and productivity enhancement measures, your company could keep up the performance and achieve reasonably satisfactory results for this year also.

Recession in the capital goods industry, which set in 3 to 4 years back has not shown any signs of abating. On the one hand, due to slump in the market, prices for the products are continuously declining and on the other hand, cost of inputs are going up. This has put severe strain on the profitability. In the year under review, your Company got opportunity to execute a few Engineering Procurement and Construction (EPC) Contracts at reasonable prices which helped in improving its overall performance and profitability. Your Company will try securing such EPC projects whenever opportunities arise. Continuous efforts are also on, for further improvement in productivity and cost control.

In the year under review, your Company has successfully commissioned a Power Project based on non-conventional Agriculture waste as fuel. The Company has also finalized a tie up with another Company which has developed a process of converting Municipal waste into fuel, for installation of a Pilot Power Plant. If this succeeds, we can expect some projects of this nature.

With your continued support as in the past, I reiterate my firm belief and confidence that your Company will be able to remain successful against all odds presently being faced in our business.

Chakor L. Doshi
Chairman



NOTICE

NOTICE is hereby given that the 92nd Annual General Meeting of the Company will be held as scheduled below :

Day : Tuesday
 Date : 16th January, 2001
 Time : 11.00 a.m.
 Place : Walchand Hirachand Hall
 Indian Merchants'
 Chambers Bldg.
 Churchgate
 Mumbai 400 020

The Agenda for the meeting will be as under:

Ordinary Business :

1. To receive and adopt the Directors' Report and Audited Statement of Accounts of the Company for the year ended 30th September, 2000.
2. To declare dividend on Equity Shares for the year ended 30th September, 2000.
3. To appoint a Director in place of Mr. Chakor L. Doshi, who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Mr. Arvind R. Doshi, who retires by rotation and is eligible for reappointment.
5. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution as required under Section 224 of the Companies Act, 1956 for appointment of Auditors:

"RESOLVED that M/s. K.S. Aiyar & Co., Chartered Accountants, Mumbai be and they are hereby appointed Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting on a remuneration of Rs. 3,00,000/- (Rupees three lakhs only) and they be paid, in addition, Service Tax, the out of pocket and/or travelling expenses they may incur while carrying out their duties as such Auditors."

Special Business :

6. To consider and if thought fit to pass with or without modification, the following Resolution as an Ordinary Resolution :
 "RESOLVED that since Mr.P.M. Dandekar, the retiring director of the Company, for personal reasons, has expressed his desire not to seek re-election at this Annual General Meeting of the Company, thereby causing a vacancy, such vacancy so caused, be not filled in."
7. To consider and if thought fit to pass with or without modification, the following Resolution as a Special Resolution :
 "RESOLVED that pursuant to provisions of Section 17 and other applicable provisions, if any, of the Companies Act, 1956 including any Statutory modification and re-enactment

thereof, for the time being in force and the provisions of other Statutes as applicable and subject to such approvals, consents, permissions and sanctions as may be necessary from the Appropriate Authorities or Bodies, consent of the Company be and is hereby given for alteration/insertion by following Sub-clauses of Clause III of the Memorandum of Association of the Company.

(a) Alteration to Clause No. 37

(37) To do all or any of the things and all such other things as are incidental or may be thought conducive to the attainment of all or any of the objects, in any part of the world, and as principals, trustees, agents or otherwise and either along or in conjunction with others, and so that the word "Company" in this Memorandum when applied otherwise than to this Company shall be deemed to include any authority, partnership or other body of persons, whether incorporated or not incorporated and whether domiciled in India or elsewhere and the intention is that the objects set forth in each of the several paragraphs of Clause III shall have the widest possible construction and shall be in nowise limited by reference to or inference from the terms of any other paragraph of this Clause or the name of the Company.

(b) Insertion of Clause No. 40

(40) To carry on the business as Distributor, Dealer, Wholesale and Retail Traders, Importers, Exporters, Processors, Service Providers, Agents, Commission Agents, Consignors, Indentors, Manufacturers' representative, Retainer, General Merchants or any other type of business of buying and selling in Merchandise, Minerals, Commodities, Movable Goods and Articles of any nature including Chemicals, Textiles, Fabrics, Handicrafts, Precious Stones, Automobiles including Four wheelers/ Three wheelers/Two wheelers and repairs/reconditioning of the same, Automobiles spare parts and accessories thereof Cycles, Silver wares, Groceries, Soft drinks, Aerated water, Medicines, white goods items, Televisions and all types of Electric and Electronic Items and all other types of consumer goods.

"RESOLVED FURTHER that the Board of Directors of the Company be and are hereby authorised to do such acts, deeds, matters and things so as to give effect to this resolution."

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 31 and other applicable provisions, if any, under the Companies Act, 1956, including any Statutory modification and re-enactment thereof, for the time being in force and the provisions of other Statutes as applicable and subject to such approvals, consents, permissions and sanctions as may be necessary from the Appropriate Authorities or Bodies, the Articles of Association of the Company be altered for alteration, by way of changing, substituting or inserting as per the following clauses:

- i) Substitute Existing Article 14 by the following :

(14) The Company may subject to the provisions of Section 76 and other applicable provisions, if any, of the Act at the time pay a commission to any person in consideration of its subscribing or agreeing to subscribe or is procuring or agreeing to procure subscriptions, whether absolutely or conditionally for any shares in or debentures of the Company but so that the amount or rate of commission does not exceed in case of shares 5% of the price at which the shares are issued and in case of debentures 2.5% of the price at which debentures are issued. The commission may be satisfied by payment of cash or the allotment of fully or partly paid shares or debentures or partly in the other. The Company may also on any issue of shares or debentures pay such brokerage as may be lawful.

- ii) After Clause 58, insert the following heading and Article as Article 58-A :

58-A Dematerialisation of Securities:

For the purpose of this Article, unless the context otherwise requires :

A (i) Definitions :

Beneficial Owner: 'Beneficial Owner' means the beneficial owner as defined in clause (a) of sub-section (1) of section 2 of the Depositories Act, 1996;

Bye-Laws : 'Bye-Laws' means Bye-Laws made by a Depository under section 26 of the Depositories Act, 1996;

Depositories Act : 'Depositories Act' means the Depositories Act, 1996 and any Statutory modification or re-enactment thereof for the time being in force;

Depository : 'Depository' means a Company formed and registered under the Companies Act, 1956 (1 of 1956) ('the Act') and which has been granted a Certificate of Registration under sub-section

(1A) of Section 12 of the Securities & Exchange Board of India Act, 1992 (15 of 1992).

Participant : 'Participant' means a person registered as such under Section 12 (1A) of Securities & Exchange Board of India Act, 1992.

Record : '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 regulations made by SEBI;

Regulations : 'Regulations' means the regulations made by SEBI;

SEBI : 'SEBI' means Securities & Exchange Board of India;

Security : 'Security' means such security as may be specified by SEBI from time to time;

Shareholder or Member : 'Shareholder or Member' means a duly registered holder, from time to time of the shares of the Company and includes the subscribers to the Memorandum of Association of the Company and also every person holding equity shares and/or Preference Shares of the Company as also one whose name is entered as a beneficial owner of the shares in the records of a Depository;

Words imparting the singular number only include the plural number and vice versa.

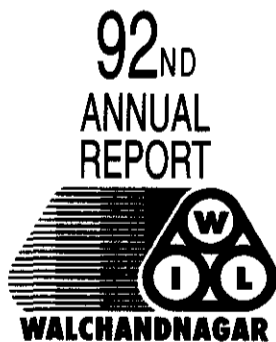
Words imparting persons include Corporations.

Words and expressions used and not defined in the Act but defined in the Depositories Act shall have the same meanings respectively assigned to them in that Act.

- (ii) The Investor may exercise an option to hold the Securities (including shares) with a Depository in Electronic Form and the Certificates in respect thereof shall be dematerialised, in which event the rights and obligations of the parties concerned and matter connected therewith or incidental thereof shall be governed by the provisions of the Depositories Act, as amended from time to time or any Statutory modifications thereto or re-enactment thereof.

B) Dematerialisation of Securities:

Notwithstanding anything contained in these Articles, the Company shall



be entitled to dematerialise or rematerialise its shares, debentures and other securities (both existing and future) held by it with a Depository and to offer its shares, debentures and other securities for subscription in a dematerialised form pursuant to Depositories Act, 1996 and the Rules framed thereunder, if any.

C) Options for Investors :

Every person subscribing to securities offered by the Company shall have the option to receive the security certificate or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

Where a person opts to hold his 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 the security.

D) Securities in Depositories to be in fungible form :

All securities held by Depository shall be in Dematerialised and shall be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372/372A 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 :

- i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.
- ii) Save as otherwise provided in (i) above, the Depository as a Registered owner of the Securities shall not have any voting rights or any other right in respect of the Securities held by it.

- iii) Every person holding Securities of the Company and whose name is entered as a beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The Beneficial Owner of the Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities held by a Depository.

F) Depository to furnish information:

Notwithstanding anything to the contrary contained in the Act or these Articles, where the Securities are held in a Depository, the records of Beneficial Ownership may be served by such Depository on the Company by means of Electronic mode or by delivery of floppies and discs.

G) Cancellation of Certificates upon surrender by a person :

Upon receipt of Certificate of Securities on surrender by a person who has entered into an agreement with the Depository through a Participant, the Company shall cancel such Certificate and substitute in its records the name of Depository as the Registered Owner in respect of the said securities and shall also inform the Depository accordingly.

H) 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 accordingly. The Depository shall, on receipt of the intimation as above, make appropriate entries in its record and shall inform the Company accordingly.

The Company shall within 30 (thirty) 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 Transferee as the case may be.

I) Sections 83 and 108 of the Act not to apply:

Notwithstanding anything to the contrary contained in the Articles-

- i) Section 83 of the Act shall not apply to the shares held with a Depository.
- ii) Section 108 of the Act shall not apply to transfer of Securities effected by the

transferor and transferee both of whom are entered as beneficial owners in the records of a Depository.

J) Distinctive Number of Securities held in a Depository:

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 of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form. Except in a manner herein before mentioned, no share shall be subdivided.

K) Register and Index of Beneficial Owners:

The Register and Index of Beneficial Owner, maintained by a Depository under Section 11 of Depositories Act shall be deemed to be the Register and Index of Members and Security holders as the case may be for the purpose of these Articles and the Act.

L) Intimation to Depository:

Notwithstanding anything contained in the Act or these Articles, where Securities are dealt with in or by a Depository, the Company shall intimate the details of allotment of Securities thereof to the Depository immediately on allotment of such Securities.

M) Stamp duty on Securities held in Dematerialised form:

No stamp duty would be payable on shares and securities held in dematerialised form in any medium as may be permitted by law including any form of Electronic medium.

N) Applicability of the Depositories Act:

In case of transfer of shares, debentures and other marketable securities, where the Company has not issued any Certificate and where such shares, debentures or securities are being held in an Electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.

O) Company to recognise the rights of Registered Holders as also the Beneficial Owners in the records of the Depository:

Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the Holder of any share, as also

the Beneficial Owner of the shares in records of the Depository as the absolute owner thereof as regards receipt of dividends or bonus or service of notices and all or any other matters connected with the Company, and accordingly, the Company shall not, except as ordered by a Court of competent Jurisdiction or as required by Law 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 expressed or implied notice thereof.

P) Voting Rights :

A Depository as a registered owner shall not have any voting rights in respect of shares and securities held by it in 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 shares or securities held by him in the Depository. Any reference to the members or joint members shall include a reference to Beneficial Owner or joint Beneficial Owners in respect of the shares held in Depository.

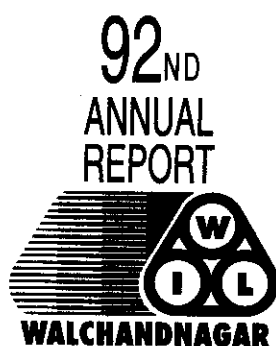
iii) After Clause 66(3), insert the following Article as Clause 66(4) :

"66(4) Notwithstanding anything contained in Clause Nos. 66(1) to 66(3), the Company shall have power, subject to and in accordance with all applicable provisions of the Act and other applicable provisions of law and subject to such approvals, permissions and sanctions as may be necessary to purchase or acquire any of its own fully paid shares, or other specified securities whether or not they are redeemable and may make a payment therefor out of its free reserves or out of share premium account/securities premium account of the Company or out of the proceeds of any issue of shares or other specified securities made by the Company specifically for the purpose or from such other sources as may be permitted by law or such terms and conditions and in such manner as may be prescribed by law from time to time."

iv) Delete Clause Nos. 129 (a), 129 (b) and 129 (A) and Clause No. 129 (a) to be substituted by the following:

Nominee Director

"129(a) — Where any investment and finance Corporation such as Industrial Finance Corporation of India, Industrial Credit & Investment Corporation of India, Industrial Development Bank of India or



any other Corporation or Bank or the Central or State Government make loan to the Company, or give Guarantee in connection with the grant of loan to the Company for supply of machinery or other equipments to the Company, any such Corporation, Bank or Government shall be entitled to nominate a Director or Directors of the Company if that be agreed to as a condition of the grant of loan or giving of such guarantee. The Directors so nominated shall have the same power and privileges as other Directors of the Company and the provision of these Articles as to retirement of Directors shall not apply to him/her/them. The said Directors shall hold office at the pleasure and shall be removed or substituted by another person by any such Corporation, Bank or Government and in addition to the Directors fee provided in these Articles, such Directors shall be paid such travelling and other expenses, etc. for attending the Board Meeting as may be provided under the Rules of the Corporation, Bank or Government which they represent. Such nominee Director shall hold office so long as loans due to Financial Institution are not repaid in full."

v) Substitute Clause 134 by the following :

"134 A Director of the Company shall not be required to hold any shares in the Company as his qualification shares".

vi) Substitute Clause 135 (I) by the following :

"135 (I) The remuneration of each Director for attending the meetings of Board or Committee thereof shall be such sum as may be decided by Board of Directors for each meeting attended by him and such sum not to exceed the amount as may be prescribed by the Central Government from time to time. Further, subject to the provisions of Section 309 and other applicable provisions of the Companies Act, the Directors shall be paid further extra remuneration (if any) as the Company in General Meeting shall from time to time determine and such further extra remuneration shall be divided amongst the Directors in such proportion and manner as the Directors may from time to time determine and in default of such determination equally."

vii) Substitute Clause 176 by the following :

"176 The Seal of the Company shall not be affixed to any Instrument except by the Authority of a Resolution of the Board or a Committee of the Board authorised by it in that behalf, and except in the presence of atleast one Director or Secretary or such other person at the Board may appoint for the purpose; and the Director or Secretary or other person

aforesaid shall sign on every Instrument to which the Seal of the Company is so affixed in its presence, subject to provision of Article 15 hereof, in respect of Share Certificates."

viii) Substitute Clause 194 by the following :

"194 Unless otherwise directed any dividend may be paid by cheque or warrant or demand draft sent through the post to the Registered address of the member or person entitled, or through the Electronic Clearing Service of the RBI on the basis of Bank Account details as provided to the Company or in such other manner as may be permitted, or in case of joint holders to one of them first named in the Register in respect of the joint holdings. 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 lost in transit/transmission or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any other means or for any non or wrong credit of dividend made by member's banker."

ix) Substitute Clause 195 by the following :

"195 No unclaimed or unpaid dividend shall be forfeited by the Company and any unclaimed or unpaid dividend shall be treated in the manner as laid down under the provisions of Sections 205A, 205B and 205C and other applicable provisions of Companies Act, 1956."

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

"RESOLVED that pursuant to Sub-Section (1) of Section 163 of the Companies Act, 1956, the Register and Index of Members and Debenture holders and Copies of Annual Returns prepared under Section 159 of the Companies Act, 1956 together with copies of Certificates and documents required to be annexed thereto under Section 161 of the Companies Act, 1956 shall be kept at the Office of Registrar and Share Transfer Agents at M/s. Intime Spectrum Registry Pvt Ltd, 260A Shanti Industrial Estate, Sarojini Naidu Road, Mulund (West), Mumbai 400 080 instead of at the Registered Office of the Company."

"RESOLVED FURTHER that the Registers, Indexes, Returns, etc. as aforesaid be kept open for inspection at the Office of Registrar and Share Transfer Agents between 11.00 a.m. to 1.00 p.m on all working days of the Company except when the Registers of Members and Share Transfer Books are kept closed under the Provisions of Companies Act, 1956, Listing Agreement with Stock Exchanges or other applicable provisions."

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 149 (2A) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded for commencing and undertaking all or any of the businesses specified in newly introduced Clauses 37 and 40 of Clause III of the Memorandum of Association of the Company upon aforesaid Clauses become operative."

By order of the Board

S.C. Bhagwat
DGM(Fin) & Dy. Company Secretary

Registered Office :
3, Walchand Terraces
Tardeo Road
Mumbai 400 034

Date: 28th November, 2000

NOTES:

- (a) Explanatory Statement under Section 173(2) of the Companies Act, 1956 in respect of Special Business item Nos. 6 to 10 mentioned above is annexed hereto.
- (b) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.
- (c) The Register of Members and Share Transfer Books of the Company will remain closed

from Wednesday, 10-01-2001 to Tuesday, 16-01-2001 (both days inclusive).

- (d) Dividend, if sanctioned, will be paid within the stipulated period to those members whose names stand on the Company's Register as on Tuesday, 16-01-2001, in respect of shares held in Electronic form, the dividend will be paid to the Beneficial Owners as per the details furnished by the Depositories for this purpose.
- (e) Members, who hold shares in physical form, are requested to notify immediately change in their addresses, if any, to Company's Registrar and Share Transfer Agents - M/s. Intime Spectrum Registry Pvt Ltd, specifying, Registered Folio Number and other relevant details. Members, who hold shares in Electronic form are requested to notify change in their address to Depository Participant with whom they are maintaining their Beneficial owner account.
- (f) Members who have not encashed their Dividend Warrants for the Financial Years ended 30th September 1995 and thereafter may immediately approach the Company for revalidation of unclaimed warrants as the amount of dividend remaining unclaimed for a period of 7 years shall be transferred to Investors Education & Protection Fund as per provisions of Section 205(C) of the Companies Act, 1956.
- (g) Members, who hold shares in Dematerialised form are requested to bring their Client ID and DP ID Nos. for easy identification of attendance at the meeting.

EXPLANATORY STATEMENT UNDER SECTION 173 OF THE COMPANIES ACT, 1956.

Item No. 6

Mr. P.M. Dandekar, one of the Directors retiring by rotation at this meeting has informed the Board of Directors that he does not desire to seek re-election, for personal reasons. A resolution pursuant to Section 256 of the Companies Act, 1956, is therefore, necessary for not filling the vacancy caused by the retirement of Mr. P.M. Dandekar.

The Directors recommend the resolution set out at Item No. 6 of the Notice for the approval of the shareholders. No Director of the Company except Mr. P.M. Dandekar is concerned or interested in the Resolution.

Item No. 7

- (a) In view of Clauses 38 and 39 added as per resolution passed in AGM held on 12th February, 1999 and considering further additions that may take place in the years to come, it is necessary to change the existing wording in clause 37 so as to replace the present meaning of limiting the incidental

objects listed in clauses 1 to 36 and to extend the same to any of the objects undertaken by the Company.

- (b) The Company is poised for diversification in Consumer Goods Sector and in order to avail any such business opportunity, it is necessary to insert the enabling Clause No. 40.

The Board therefore recommends passing the Resolutions as set out in Item No. 7 of the accompanying Notice. The Memorandum and Articles of Association of the Company is opened for inspection at the Registered Office of the Company on all working days (except Saturdays, Sundays and Public holidays) between 10.30 a.m. and 1.00 p.m. and upto date of Annual General Meeting.

None of the Directors is interested in the Resolution.

Item No. 8

Certain Articles need change/ modification as well certain New Articles are required to be inserted consequent upon amendment to certain provisions of Companies Act, 1956, occurrence of certain events like repayment of loans to financial

