

# 26th ANNUAL REPORT 1997-98

**ALPS**  
INDUSTRIES

THE MAKERS OF

*Vista*  
**LEVOLOR**

**ALPS INDUSTRIES LIMITED**

(Government Recognised Trading House)

NATURALLY GROWN COLOURED COTTON  
"FUTURE FOR PRESENT GENERATION"

**WORKS & OFFICES****WORKS/DIVISIONS****Unit I  
(Home Furnishings)**

B-2, Loni Road Indl. Area,  
Opp. Mohan Nagar  
Distt. Ghaziabad, (U.P.)

**Unit II  
(Window Coverings)**

A-2, Loni Road Indl. Area,  
Opp. Mohan Nagar  
Distt. Ghaziabad, (U.P.)

**Unit III (100% EOU)  
(Composite Textile  
Mill and Veg Dyes)**

57/2, Site-IV, Indl. Area,  
Sahibabad, (U.P.)

**Unit IV  
(Awnings)**

B-160-161, Mettupalaiyan Industrial Estate,  
Pondicherry-605 009

**SHARES &  
FIXED DEPOSIT CELL**

57/2, Site-IV, Indl. Area, Sahibabad, (U.P.)  
Ph. : 0575-772565/66/67/68

**MARKETING OFFICES****Mumbai**

Flat No. 3116-3117, Oberoi Estates,  
Chandivli Farms Road, Chandivli  
Mumbai-400 072.  
Ph. : 8514745-46, 8522111, 8522117, .  
Fax : 91-022-8514744

**Bangalore**

Ground Floor, Ahuja Chamber,  
1, Kumara Krupa Road,  
Bangalore-560 001  
Ph. : 080-2256974, 2258780.

**Delhi**

B-4, D/3, Shopping Centre  
Alaknanda, New Delhi  
Ph. : 6221207 (6 Lines)  
Fax : 91-11-6428609



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CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
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YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

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**ALPS INDUSTRIES LIMITED**

## ALPS INDUSTRIES LIMITED

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### DIRECTORS

**Mr. K.K. Agarwal**  
Chairman and Managing Director

**Mr. Sandeep Agarwal**  
Managing Director

**Mr. V.K. Mittal**  
Director

**Mr. Park B. Smith**  
Director

**Mr. Gopi Krishan Arora (Retd. IAS)**  
Director

**Ms. Monika S. Garg (IAS)**  
Director (Nominee - UPFC)

**Mr. Rakesh Gupta**  
Director

**Mr. J.P. Kundra**  
Director

**Dr. M.L. Gulrajani**  
Director

**Mr. K.B. Agrawal**  
Alternate Director to Mr. Park B. Smith

### REGISTERED OFFICE

B-2, Loni Road Indl. Area, Opp. Mohan Nagar,  
Distt., Ghaziabad, (U.P.)  
Ph. : 0575-732633, 732641 Fax : 91-575-732627

### BANKERS

State Bank of India

### AUDITORS

R K Govil & Co.  
Chartered Accountants, Ghaziabad

### SECRETARY

Mr. Ajay Gupta

## NOTICE

Notice is hereby given that the Twenty Sixth Annual General Meeting of the Members of **ALPS INDUSTRIES LIMITED** will be held on Wednesday, the 30th September 1998 at 10.00 A.M. at the Registered Office of the Company situated at B-2, Loni Road Industrial Area, Opp. Mohan Nagar, Ghaziabad (U.P.) to transact the following business:

### ORDINARY BUSINESS :

1. To consider and adopt the Balance Sheet as at 31st March, 1998, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend.
3. To appoint Director in place of Mr. G.K. Arora, who retires by rotation and being eligible, offers himself for re- appointment.
4. To appoint Director in place of Mr. Rakesh Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS :

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** in accordance with the provision of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. J.P. Kundra, who was appointed by the Board of Directors as an Additional Director of the Company and who holds office upto the date of the ensuing Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation."

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** in accordance with the provision of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Dr. M.L. Gulrajani, who was appointed by the Board of Directors as an Additional Director of the Company and who holds office upto the date of the ensuing Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation."

8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution** :

**"RESOLVED THAT** in accordance with the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, and subject to the limits specified in Schedule XIII to the said Act, Mr. K.K. Agarwal be and is hereby re-appointed as Chairman and Managing Director of the Company for a further period of five years w.e.f. 01.02.99 on the terms and conditions, including remuneration, as are set out in the draft Agreement, be entered into between the Company and Mr. K.K. Agarwal.

**"RESOLVED FURTHER THAT** in the event of any relaxation by the Central Government in guidelines/ ceilings on managerial remuneration and/or perquisites, the Board of Directors be and is hereby authorised to alter and vary the terms and conditions (including salary, commission, perquisites and other allowance) of the said Agreement, so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 as may be agreed to between the Board of Directors and Mr. K.K. Agarwal, by suitably amending it to give effect to such modification, relaxation or variation without any further reference to the Company in general meeting.

**"RESOLVED FURTHER THAT** where in any financial year closing on and after 01.02.1999, the Company has no profits or its profits are inadequate, the Company may pay to Mr. K.K. Agarwal remuneration by way of salary, perquisites and other allowances within the limit specified under Section II of Part II of Schedule XIII to the Companies Act, 1956.

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary, proper or expedient to give effect to this resolution.

## ALPS INDUSTRIES LIMITED

9. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution** :

**"RESOLVED THAT** in accordance with the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, and subject to the limits specified in Schedule XIII to the said Act, Mr. Sandeep Agarwal be and is hereby re-appointed as Managing Director of the Company for a further period of five years w.e.f. 01.02.99 on the terms and conditions, including remuneration, as are set out in the draft Agreement, be entered into between the Company and Mr. Sandeep Agarwal.

**"RESOLVED FURTHER THAT** in the event of any relaxation by the Central Government in guidelines/ ceilings on managerial remuneration and/or perquisites, the Board of Directors be and is hereby authorised to alter and vary the terms and conditions ( including salary, commission, perquisites and other allowance ) of the said Agreement, so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 as may be agreed to between the Board of Directors and Mr. Sandeep Agarwal, by suitably amending it to give effect to such modification, relaxation or variation without any further reference to the Company in general meeting.

**"RESOLVED FURTHER THAT** where in any financial year closing on and after 01.02.1999, the Company has no profits or its profits are inadequate, the Company may pay to Mr. Sandeep Agarwal remuneration by way of salary, perquisites and other allowances within the limit specified under Section II of Part II of Schedule XIII to the Companies Act, 1956.

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary, proper or expedient to give effect to this resolution.

10. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Special Resolution** :

**"RESOLVED THAT** subject to the approval of Central Government in terms of Section 297, 314, 198, 309, 310 and any other provisions of the Companies Act, 1956, Dr. M.L. Gulrajani, a Director of the Company be and is hereby appointed as Technical Consultant for a period of one year w.e.f. 15.07.1998 in terms of M O U dated 17.04.98 between the company and IIT, Delhi to monitor the Research & Development

programme for production and commercialisation of fully Standardised Eco-Friendly Natural Dyes on a remuneration of Rs. 40,000/- per month with entitlement of being reimbursement of other out of pocket expenses."

**"RESOLVED FURTHER THAT** the other terms and conditions for appointment as Technical Consultant will be as per the Agreement for Technical Consultancy as may be entered into between Dr. M.L. Gulrajani and the Company."

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

**"RESOLVED THAT** Memorandum of Association of the Company be and is hereby altered under Section 16, 17 and any other provisions of the Companies Act, 1956 by substituting the existing clause V with the following clause V :

**"V** The Authorised Share Capital of the Company is Rs. 10,00,00,000/- (Rupees Ten Crores) divided into 70,00,000 (Seventy Lacs) Equity Shares of Rs. 10/- (Rupees Ten ) each and 30,00,000 (Thirty Lacs ) Preference Shares, whether convertible or non convertible, redeemable or otherwise, and whether cumulative or otherwise of Rs.10/- (Rupees Ten )each with power to increase, reduce or divide the capital for the time being into several classes and to attach thereto respectively such preferential, priority, deferred, qualified or special rights, privileges, conditions or restrictions whether in regard to dividend, voting, return of capital, distribution of assets or otherwise, as may be determined in accordance with the provisions of the Act and Rules & Regulations made thereunder, and to vary, modify or abrogate any such rights, privileges, conditions or restrictions in such manner as may from time to time be provided under the Provision of the Act and Rules & Regulations made thereunder of the Company and consolidate or sub-divide or reorganise shares or issues of shares of higher or lower denominations or conversion of above Preference Shares into equity Shares on terms & conditions as may be decided by the Directors. The Board of Directors may at any time issue any part of the unissued preference shares as mentioned above as equity shares.

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

**"RESOLVED THAT** under Section 31 of the Companies Act, 1956 Article 3 of the Articles of Association of the Company be and is hereby substituted with the following Article no. 3 :

**"3.** The Share Capital of the Company as per clause V of the Memorandum of Association shall be Equity Shares of Rs. 10/- (Rupees Ten) each and preference shares, whether convertible or non convertible, redeemable or otherwise and whether cumulative or otherwise of Rs. 10/- (Rupees Ten) each with such rights, terms & conditions as mentioned in Clause V of the Memorandum of Association of the Company."

13. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution** :

**"RESOLVED THAT** under section 31 of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered by inserting the following Article No. 42 (A) after the existing Article No. 42 :

#### **ARTICLE NO. 42 (A)**

#### **RIGHT TO ISSUE PREFERENCE SHARES**

"Company can issue Preference Shares, whether convertible or non convertible, redeemable or otherwise and whether cumulative or otherwise, subject to Section 80, 80-A, 81, 87, 100, 106 and 107 and any other provisions of the Companies Act, 1956 and other approval/permission as may be applicable and subject to the conditions that:

- no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption;
- no such shares shall be redeemed unless they are fully paid ;
- the premium if any, payable on redemption must have been provided for out of the profits of the Company or Company's Share Premium Account before the shares are redeemed ;
- where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called the "Capital Redemption Reserve Account", a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction for the share capital of the company shall, except as provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Account were

paid-up share capital of the Company."

14. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution** :

**"RESOLVED THAT** under section 31 of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered by inserting the following new Article No. 133 in place of the existing Article No. 133 :

#### **ARTICLE NO. 133**

#### **HOW PROFITS SHALL BE DIVISIBLE TO EQUITY AND PREFERENCE SHAREHOLDERS.**

**"133.** Subject to the rights of member entitled to share (if any ) with preferential or special rights attached thereto the profits of the Company which shall, from time to time, be determined to be divided in respect of any year or other period shall be applied in the payment of a dividend on the equity shares of the Company, **subject to the Section 205(2B) or any other provisions, if any, applicable of the Companies Act, 1956. Payment of Dividend to Equity Shareholders will be subject to the compliance of terms of issue of Preference Share, Redeemable Preference Shares, Cumulative Redeemable Preference Shares or Cumulative Convertible Preference Shares**, but so that a partly paid up share shall only entitle the holder with respect thereto such proportion of the distribution upon a fully paid-up shares as the amount paid thereon bears to the nominal amount of such shares and so that where capital is paid up in advance of call upon the footing that the same shall carry interest such capital shall not, whilst carrying interest confer a right to participate in profits."

15. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution** :

**"RESOLVED THAT** in terms of SEBI circular no. SMDRP/CIR14/98 dated 29.04.98, the Board of Directors of the Company be and are hereby authorised to apply for Voluntary Delisting of Company's 60,73,800 Equity Shares from The Stock Exchange, Ahmedabad and The Delhi Stock Exchange Association Ltd., New Delhi. w.e.f. the close of day of 31.3.1999.

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to comply with any requirements of the Stock Exchanges, SEBI and provisions under

**ALPS INDUSTRIES LIMITED**

the Companies Act, 1956 alongwith any modification(s) / amendment(s) thereof which may be required from time to time."

16. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary Resolution** :

**"RESOLVED THAT** the consent of the company be and is hereby accorded in terms of Sec. 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956 for mortgaging and/or charging by the Board of Directors of the Company all the immovable & movable properties of the company, wheresoever situated, present & future and the whole of the Undertaking of the Company together with the power to takeover management of the Company in certain events to or in favour of the following financial institutions for the financial assistance provided by them detailed as under :

SL. No.	NAME OF FINANCIAL INSTITUTION	AMOUNT TO BE SECURED BY THE CHARGE (RUPEES IN LAC)
1.	IDBI for its :	
	(i) Rupee Term Loan of	220.00
	(ii) Corporate Loan of	500.00
	(iii) Foreign Currency Loan of US \$ 1805000 equivalent to about	650.00
2.	UPFC for its :	
	(i) Term Loan of	122.00
	(ii) EFS Loan of	87.00
	(iii) Working capital Term Loan of	50.00
	(iv) Working capital Term Loan of	50.00
	(v) Lease finance Assistance of	300.00
	(vi) Working capital Term Loan of	50.00
3.	PICUP of its Term Loan of	370.00
4.	SICOM of its Corporate Loan of	300.00

sanctioned / lent by the above financial Institutions to the Company together with interest thereon at the respective agreed rates, compound / further / additional interest, liquidated damages, commitment charges, and all other money payable by the company to above financial institutions under their respective heads of agreement / letter of sanction / memorandum of terms and conditions entered into/to be entered

into by the company in respect of the said financial assistance.

**"RESOLVED FURTHER THAT** the Board of Directors of the company be and are hereby authorised to finalise with above financial institutions, the documents for creating the aforesaid mortgage and/or charge and to do all such acts and things as may be necessary for giving effect to the above resolution."

By the Order of the Board  
For **ALPS INDUSTRIES LTD.**

Place : Ghaziabad

Date : August 29, 1998

**AJAY GUPTA**  
**COMPANY SECRETARY**

**NOTES**

1. 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 member of the Company. The proxies, in order to be effective, must be received by the Company not less than 48 hours before the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed on 29th September, 1998. The record date for the purpose of voluntary delisting of shares to provide an exit opportunity is also 29th September 1998.
3. Dividend that may be declared by the Company, will be paid on or after 30th September, 1998 to those Members whose names appear on the register of members of the company on 29th September 1998.
4. The Explanatory Statement setting out the material facts in respect of the business under item No. 6 to 16 are annexed hereto.
5. All documents referred to in the accompanying Notice are open for inspection at the Registered office of the Company during business hours on all working days except Sundays between 11.00 A.M. to 1.00 P.M. upto the date of Annual General Meeting.

**EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173 (2) OF THE COMPANIES ACT, 1956.**

The Explanatory Statements for Item nos. 6 to 16 of the accompanying Notice are as under :

**ITEM NO. 6**

Mr. J.P. Kundra was appointed by the Board of Directors as an Additional Director of the Company at its meeting held on 30.05.98, with effect from 30.05.98. Pursuant to Section 260 of the Companies



Act, 1956, Mr. J.P. Kundra will hold office as Additional Director upto the date of ensuing Annual General Meeting. The Company has received a notice in writing from a member proposing the candidature of Mr. J.P. Kundra for the office of Director of the Company under the provisions of Section 257 of the Companies Act, 1956. As required, the resolution for appointment as Director of the Company is recommended for consideration by the Members.

Mr. J.P. Kundra is a law graduate from Delhi University and former Managing Director of State Bank of India & also former Managing Director of State Bank of Bikaner & Jaipur, Ex Vice Chairman of SBI Capital Market Limited and former Chairman of Banking Services Recruitment Board. He has vast knowledge of banking, finance and general administration. No Director, except Mr. J.P. Kundra, is interested or concerned in the said resolution.

#### ITEM NO. 7

Dr. M.L. Gulrajani was appointed by the Board of Directors as an Additional Director of the Company at its meeting held on 30.05.98, with effect from 30.05.98. Pursuant to Section 260 of the Companies Act, 1956, Dr. M.L. Gulrajani will hold office as Additional Directors upto the date of ensuing Annual General Meeting. The Company has received a notice in writing from a member proposing the candidature of Dr. M.L. Gulrajani for the office of Director of the Company under the provisions of Section 257 of the Companies Act, 1956. As required, the resolution for appointment as Director of the Company is recommended for consideration by the Members.

Dr. M.L. Gulrajani, B.Sc (Tech.), M.Sc. (Tech.) and Ph.D (Tech.) is Professor in Department of Textiles Technology and Dean for Indian Research & Development Unit of IIT, Delhi. He is recipient of various awards. He is on the Research Advisory Committee of Ahmedabad Textile Research Industry's Association. No Director, except Dr. M.L. Gulrajani, is interested or concerned in the said resolution.

#### ITEM NO. 8

Mr. K.K. Agarwal was appointed as the Whole Time Director and designated as Chairman & Managing Director at the Annual General Meeting of the Company held on 30th September 1993 for a period of 5 years w.e.f. 1st February 1994. The term of his office expires on 31st January 1999. As the 27th Annual General Meeting of the Company shall fall due after the expiry of the term of office of Chairman & Managing Director, his re-appointment as a Whole Time Director w.e.f. 01.02.99 is required to be approved. His re-appointment has been approved by the Board of Directors at the meeting held on August

29, 1998 subject to the approval of the members of the company. Hence the matter has been referred to the members of the company for their approval.

#### 1. Salary and Commission :

- (a) Salary : Rs. 24,000/- per month in the scale of 24000-2000-30000.
- (b) Commission : At a rate to be determined by the Board of Directors each year.

Provided further that the aggregate amount of remuneration payable to the appointee in a particular financial year will be subject to the overall ceiling limit laid down in Sections 198 and 309 of the Companies Act, 1956.

#### 2. Perquisites :

- (a) Furnished residential accommodation inclusive of facilities such as electricity, water and gas.
- (b) Full reimbursement of all medical expenses for self and family.
- (c) Leave travel facility for self and family once a year.
- (d) Fees of Clubs subject to a maximum of two clubs.
- (e) Personal accident and medical insurance.
- (f) Contributions to Provident Fund, Superannuation or Annuity Fund.
- (g) Gratuity not exceeding half a month's salary for each completed year of service.
- (h) Encashment of leave at the end of tenure of office.
- (i) Free passage for self and family together with cost of transportation of household items at the end of tenure of office.
- (j) Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Long distance telephone calls and use of car for personal purposes will be billed by the Company.
- (k) Reimbursement of entertainment, travelling and other expenses actually incurred for business of the Company.

#### 3. Minimum Remuneration :

If in any financial year during the currency of tenure of the Chairman & Managing Director, the Company has no profits or its profits are inadequate, the appointee shall be entitled to minimum remuneration by way of salary, perquisites, allowances not exceeding the ceiling limit specified under Section II of part II of Schedule XIII to the Companies Act, 1956. Provided further that following perquisites which are also allowed to him shall not be included in

## ALPS INDUSTRIES LIMITED

the computation of this ceiling :

- i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under Income-Tax Act, 1961.
- ii) Gratuity payable at a rate not exceeding half month's salary for each completed year of service; and
- iii) Encashment of leave at the end of the tenure.  
No Director, except Mr. K.K. Agarwal and Mr. Sandeep Agarwal, is interested or concerned in the said re-appointment.

### ITEM NO. 9

Mr. Sandeep Agarwal was appointed as the Whole Time Director and designated as Managing Director at the Annual General Meeting of the Company held on 30th September 1993 for a period of 5 years w.e.f. 1st February 1994. The term of his office expires on 31st January 1999. As the 27th Annual General Meeting of the Company shall fall due after the expiry of the term of office of Managing Director, his re-appointment as a Whole Time Director w.e.f. 01.02.99 is required to be approved. His re-appointment has been approved by the Board of Directors at the meeting held on August 29, 1998 subject to the approval of the members of the company. Hence the matter has been referred to the members of the company for their approval.

#### 1. Salary and Commission :

- (a) Salary : Rs. 18,000/- per month in the scale of 18000-1500-22500.
- (b) Commission : At a rate to be determined by the Board of Directors each year.

Provided further that the aggregate amount of remuneration payable to the appointee in a particular financial year will be subject to the overall ceiling limit laid down in Sections 198 and 309 of the Companies Act, 1956.

#### 2. Perquisites :

- (a) Furnished residential accommodation inclusive of facilities such as electricity, water and gas.
- (b) Full reimbursement of all medical expenses for self and family.
- (c) Leave travel facility for self and family once a year.
- (d) Fees of Clubs subject to a maximum of two clubs.
- (e) Personal accident and medical insurance.
- (f) Contributions to Provident Fund, Superannuation or Annuity Fund.
- (g) Gratuity not exceeding half a month's salary for each completed year of service.

- (h) Encashment of leave at the end of tenure of office.
- (i) Free passage for self and family together with cost of transportation of household items at the end of tenure of office.
- (j) Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Long distance telephone calls and use of car for personal purposes will be billed by the Company.
- (k) Reimbursement of entertainment, travelling and other expenses actually incurred for business of the Company.

#### 3. Minimum Remuneration :

If in any financial year during the currency of tenure of the Managing Director, the Company has no profits or its profits are inadequate, the appointee shall be entitled to minimum remuneration by way of salary, perquisites, allowances not exceeding the ceiling limit specified under Section II of part II of Schedule XIII to the Companies Act, 1956. Provided further that following perquisites which are also allowed to him shall not be included in the computation of this ceiling :

- i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under Income-Tax Act, 1961.
- ii) Gratuity payable at a rate not exceeding half month's salary for each completed year of service; and
- iii) Encashment of leave at the end of the tenure.  
No Director, except Mr. K.K. Agarwal and Mr. Sandeep Agarwal, is interested or concerned in the said re-appointment.

### ITEM NO. 10

In terms of M O U dated 17.04.98 between the Company and IIT, Delhi to provide technical support and to monitor the Research & Development programme for production and commercialisation of fully standardised Eco-Friendly Natural Dyes, Dr. M.L. Gulrajani has been deputed initially for a period of one year. As he is well experienced and having technical expertise in this field, it is in the interest of company to avail of his services as a Technical Consultant for the above project for a period of one year, as stipulated in the M O U. The Board of Directors, at their meeting held on 2nd July, 1998, approved the appointment of Dr. M. L. Gulrajani as Technical Consultant at a remuneration of Rs. 40,000/- per month, subject to the approval of members of the company and