

ANNUAL REPORT AND ACCOUNTS 1999-2000



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BOARD OF DIRECTORS

Mr. S. K. Rateria	<i>Chairman & Managing Director</i>
Mrs. Saroj Rateria	<i>Director</i>
Mr. R. K. Maheshwari	<i>Director</i>
Mr. A. K. Sanyal	<i>Director</i>
Mr. N. D. J. Rao	<i>Director</i>
Mr. Dale Tower (Alt. Mr. H. Kundalia)	<i>Director</i>
Mr. S. Ray Chaudhuri	<i>Executive Director</i>
Mr. A. K. Kedia	<i>Wholetime Director</i>
Mr. Vijay Moza	<i>Executive Director</i>

COMPANY SECRETARY

Mr. T. C. Jain

BANKERS

Punjab National Bank
Dena Bank

AUDITORS

M/s R. Singhi & Co.
Chartered Accountants

REGISTERED OFFICE

77/2A, Hazra Road
Calcutta-700 029

WORKS

Survey No. 2/2/2, Madhuban Dam Road
Village Karad, Silvassa
Union Territory of Dadra & Nagar Haveli



SHAREHOLDER INFORMATION

ANNUAL GENERAL MEETING

Date and Time : 22nd July, 2000 at 11.00 a.m.
Venue : Kalakunj, 48, Shakespeare Sarani, Calcutta 700 017.

DATES OF BOOK CLOSURE : 17th July, 2000 to 22nd July, 2000

DIVIDEND

The Company declared an interim dividend of 20% for the year ended 31st March, 2000. The same has been confirmed as Total Dividend for the year.

LISTING AND TRADING OF SHARES OF THE COMPANY

In order to impart liquidity and convenience for trading, Equity Shares of the Company are listed at the following stock exchanges. The annual renewal fees for 2000-2001 have been paid to all stock exchanges where the shares are listed.

Name of the Stock Exchange	Stock Code No.	Price of Shares of Rs. 10/- each	Date of Trading
Calcutta Stock Exchange Assn. Ltd	13089	132.90	31.3.2000
The Stock Exchange, Mumbai	31224	159.20	24.3.2000 *
National Stock Exchange of India Ltd	Computech-EQ	196.70	21.3.2000 *

* Trading suspended after the date due to sub-division of face value of Equity Share of Rs.10/- each into 2 Equity Shares of Rs.5/- each. The Company has already applied for delisting of its equity shares from the Delhi Stock Exchange Association Ltd., The Stock Exchange, Ahmedabad and the Jaipur Stock Exchange Ltd.

REGISTRAR AND TRANSFER AGENTS

Computech International has no external Registrar or Transfer agent. All such work is done in-house at the Registered Office of the Company.

SHARE TRANSFER SYSTEM

Share transfers are registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respects. The total number of shares transferred during the year 1999-2000 was 68,86,756 compared to 59,72,300 in 1998-99.

DEMATERIALISATION OF SHARES

The Company's equity shares have been inducted into the Depository System of the National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd (CDSL) as an eligible security under the Depository Act, 1996. Facilities for dematerialisation of the Company's shares have already become fully operational vide Code Nos.(ISIN) under NSDL – INE751A01028 and under CDSL – 751A01010.

The Company's shares are being traded in compulsory demat segment for all categories of investors in National Stock Exchange of India Ltd. (NSE) and compulsory demat segment for Banks and Financial Institutions in the Calcutta Stock Exchange and Mumbai Stock Exchange. The Company's shares will be traded in compulsory demat segment for all category of Shareholders in all Stock Exchanges from 24th July, 2000.

INVESTOR CORRESPONDENCE

Shareholders can correspond with the Company Secretary of Computech International.

VALUATION OF SHARES

The closing prices of the Company's shares as at 31st March 2000 at stock exchanges where the equity shares have been listed is given in the above table, which may be used for valuation purposes.

MARKET CAPITALISATION

Based on the closing quotation of Rs 132.90 per share as at 31st March 2000 at the Calcutta Stock Exchange, the Regional Stock Exchange of the Company, the market capitalisation of the Company was Rs. 133.18 Crores.

CONSOLIDATION OF FOLIOS AND AVOIDANCE OF MULTIPLE MAILINGS

Some of the Members might have more than one folio in their individual name or jointly with other person(s) mentioned in the same order. It is desirable to consolidate all similar holdings under one folio. Consolidation helps the Members to monitor their holdings effectively. By doing so, it would also enable the Company to avoid unnecessary duplication of effort and related costs. Please write to the Registered Office of the Company quoting the folio numbers that need to be consolidated.

NOTICE

NOTICE is hereby given that the 13th Annual General Meeting of the Members of Computech International Ltd. will be held at Kalakunj, 48, Shakespeare Sarani, Calcutta – 700 017 on Saturday, the 22nd July, 2000 at 11.00 a.m. to transact the following business :

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2000 and Profit & Loss Account of the Company for the year ended on that date and reports of the Directors and Auditors thereon.
2. To confirm payment of interim dividend on Equity Shares.
3. To appoint a Director in place of Mr. A. K. Kedia, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place in place of Mr. A. K. Sanyal who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

To pass, with or without modification(s), the following resolution as an ordinary resolution:-

"RESOLVED that M/s. SINGHI & CO., CHARTERED ACCOUNTANTS, 1B, OLD POST OFFICE STREET, CALCUTTA - 700 001, be and are hereby appointed Auditors of the Company in place of the retiring Auditors M/s. R. SINGHI & CO., CALCUTTA, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be fixed by the Board of Directors in consultation with the said Auditors."

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modification(s), the following Resolutions :

6. As an Ordinary Resolution

"RESOLVED that in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. N. D. J. Rao, who was appointed by the Board of Directors as an additional Director of the Company and who holds office upto the date of this Annual General Meeting and 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 the candidature of Mr. N. D. J. Rao for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation".

7. As an Ordinary Resolution

"RESOLVED that in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Vijay Moza, who was appointed by the Board of Directors as an additional Director of the Company and who holds office upto the date of this 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 the candidature of Mr. Vijay Moza for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation"

"RESOLVED FURTHER that subject to the limits laid down Under Section 198, 269, 309 & 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereto including any statutory modifications of the said Act and schedule, the Company hereby accords its approval to the appointment of Mr. Vijay Moza as the Executive Director of the Company for a period of Five Years with effect from 9th June, 2000 on such terms and conditions and stipulations of appointment and remuneration as approved by the Board of Directors and set out in the agreement, a copy of which is placed at the table of the meeting duly initialed for identification."

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to increase the salary and/or perquisites of Mr. Vijay Moza as they deem fit and proper within the limits prescribed under Schedule XIII of the Companies Act, 1956".

8. As an Ordinary Resolution

"RESOLVED that subject to the limits laid down Under Section 198, 269, 309 & 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereto including any statutory modifications of the said Act and schedule, the Company hereby accords its approval to the appointment of Mr. S. Ray Chaudhuri as the Executive Director of the Company for a period of Five Years with effect from 1st October, 1999 on such terms and conditions and stipulations of appointment and remuneration as approved by the Board of Directors and set out in the agreement, a copy of which is placed at the table of the meeting duly initialed for identification."



"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to increase the salary and/or perquisites of Mr. S. Ray Chaudhuri as they deem fit and proper within the limits prescribed under Schedule XIII of the Companies Act, 1956".

9. As an Ordinary Resolution

"RESOLVED that subject to the limits laid down Under Section 198, 269, 309 & 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereto including any statutory modifications of the said Act and schedule, the Company hereby accords its approval to the re-appointment of Mr. S. K. Rateria, as Chairman cum Managing Director of the Company for a period of Five Years with effect from 1st October, 2000 on the terms and conditions and stipulations of appointment and remuneration as approved by the Board of Directors and set out in the draft agreement, a copy of which is placed at the table of the meeting duly initialed for identification."

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to increase the salary and/or perquisites of Mr. S. K. Rateria as they deem fit and proper within the limits prescribed under Schedule XIII of the Companies Act, 1956".

10. As an Ordinary Resolution

"RESOLVED that subject to the limits laid down Under Section 198, 269, 309 & 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereto including any statutory modifications of the said Act and schedule, the Company hereby accords its approval to the appointment of Mr. A. K. Kedia as the Executive Director of the Company for a period of Five Years with effect from 1st October, 2000 on the terms and conditions and stipulations of appointment and remuneration as approved by the Board of Directors and set out in the draft agreement, a copy of which is placed at the table of the meeting duly initialed for identification."

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to increase the salary and/or perquisites of Mr. A. K. Kedia as they deem fit and proper within the limits prescribed under Schedule XIII of the Companies Act, 1956".

11. As a Special Resolution

"RESOLVED that in pursuance of the provisions of Section 81 and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment to or re-enactment thereof) and subject to the guidelines issued by the Securities and Exchange Board of India and in accordance with the Memorandum and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary, the consent of the Company be and is hereby accorded to the Board of Directors to offer, issue and allot on Private Placement / Preferential Allotment basis upto 30,00,000 (Thirty Lacs only) of Equity Shares of the face value of Rs. 5 each but not exceeding 15% in aggregate of the Subscribed Equity Share Capital of the Company to such persons, whether residents and / or non-resident Indians, whether Indian Financial Institutions and / or Foreign Financial Institutions and / or Foreign Institutional Investors and / or Commercial Banks and / or Indian Incorporated Bodies and / or Overseas Corporate Bodies and / or Foreign Incorporated Bodies and / or Foreign Individuals and / or Mutual Funds or any of them, herein after collectively called 'the Investors' not withstanding that such Investors to whom the shares are offered and issued are not the members of the Company as on date of offer, provided that issues and allotment of such shares to promoters or any other Investors who may be considered to be acting or deemed to be acting in concert with the promoters of the Company, if any, together with the earlier / previous holding, if any, shall be subject to a maximum of 5% of the post issue Capital of the Company. Provided further that issue and allotment of shares to a single Investor together with the earlier / previous holding, if any, shall in no case exceed 5% of the post issue capital of the Company, such offer, issue and allotment to be made in such form, manner and upon such terms and conditions and at such price as the Board or Committee of Directors may in its absolute discretion deem fit."

"RESOLVED FURTHER that the new Equity shares of Rs. 5 each as aforesaid, shall in all respects rank pari-passu inter-se as also with other Equity shares of the company having face value of Rs. 5 each."

"RESOLVED FURTHER that for the purpose of giving effect to the above resolution, the Board or a Committee of Directors be and is hereby authorised to accept all such suggestions or stipulations to take all such actions, to give all such directions, to do all such acts, deeds, matters and things as may be necessary or desirable and to settle any question or difficulty that may arise in regard to the issue and allotment of the aforesaid shares and to execute all such deeds, documents and writings as may be necessary in connection with such issue"

Registered Office :
77/2A, Hazra Road
Calcutta-700 029
Dated : 9th June, 2000

By order of the Board
T. C. Jain
Company Secretary

NOTES :

1. A MEMBER ENTITLED TO ATTEEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT TO BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. A Special Notice in terms of Section 190 of the Companies Act, 1956 has been received Under Section 225 (1) from a member proposing the appointment of M/s. SINGHI & CO., CHARTERED ACCOUNTANTS, 1B, OLD POST OFFICE STREET, CALCUTTA - 700 001 as Auditors of the Company in place of M/s. R. SINGHI & CO., CALCUTTA the retiring Auditors of the Company. The retiring Auditors, though eligible, have not offered themselves for reappointment.
3. Explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of item nos. 6 to 11 as set out above is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 17th July, 2000 to Saturday, the 22nd July, 2000 (both days inclusive).
5. *Members are aware that the fully paid up equity shares of Rs.10 has been sub-divided into two fully paid up equity shares of Rs. 5 each and that old equity shares of the face value of Rs.10 have been cancelled and not being traded in the stock exchanges/market. Those members who have not yet surrendered their old share certificate to the Company are requested to surrender their old share certificate immediately to the Company to get the new share certificates of face value of Rs.5 each.*
6. Members are requested to intimate, quoting their folio number, the change of their address, alongwith pin code number, if any and PAN/GIR Number with Income Tax Ward/Range/District immediately to the Company.
7. Members are requested to intimate to the Company queries, if any, regarding these accounts/notice at least 10 days before the Annual General Meeting in order to enable the Management to keep the information ready at the meeting.

ANNEXURE TO NOTICE**Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956****Item No. 6**

Mr. N. D. J. Rao, who was appointed by the Board of Directors as an Additional Director of the Company w.e.f. 11th October, 1999 vacates office at the forthcoming Annual General Meeting pursuant to Section 260 of the Companies Act, 1956.

Notice Under Section 257 of the Companies Act, 1956 has been received from a Member of the Company signifying his intention to propose Mr. N. D. J. Rao as a candidate for the office of Director. Mr. N. D. J. Rao has filed his consent pursuant to section 264(1) of the Companies Act, 1956 to act as a Director, if appointed.

The Board considers that having regard to vast knowledge and worldwide experience of Mr. N. D. J. Rao in the field of Computer, GIS and Seismic Data Processing, it will be in the interest of the Company to appoint him as a Director of the Company.

The Board recommends adoption of the Resolution set out at item no.6 of the notice.

Except Mr. N. D. J. Rao, no other Director is concerned or interested in the Resolution.

Item No. 7

Mr. Vijay Moza, who was appointed by the Board of Directors as an Additional Director of the Company w.e.f. 9th June, 2000 vacates office at the forthcoming Annual General Meeting pursuant to Section 260 of the Companies Act, 1956.

Notice Under Section 257 of the Companies Act, 1956 has been received from a Member of the Company signifying his intention to propose Mr. Vijay Moza as a candidate for the office of Director. Mr. Vijay Moza has filed his consent pursuant to Section 264(1) of the Companies Act, 1956 to act as a Director, if appointed.

Mr. Vijay Moza is having wide knowledge and experience in the field of Computer & IT Industry. Since September 1999 he is working in the Company. Keeping in view of his experience in the field of Computer and IT Industry the Board of Directors



at its Meeting held on 9th June, 2000 appointed him as a Wholetime Director of the Company designated as 'Executive Director' for a period of five years with effect from 9th June, 2000, subject to the approval of the Shareholders at the Annual General Meeting.

- a) Salary : Rs. 30,000 (Rupees thirty thousand) only per month.
- b) Perquisites : In addition to the above salary, Mr. Vijay Moza shall also be entitled to the following perquisites & facilities as detailed in categories (A) (B) & (C). Such perquisites will be subject to a maximum of 100% of his annual salary.

Category A :

1. House Rent Allowance : 60% of the Basic Salary per month.
2. Medical Reimbursement : Expenses incurred for Mr. Vijay Moza and his family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.
3. Leave Travel Concession : Mr. Vijay Moza and his family, once in a year incurred in accordance with the rules of the Company.
4. Ex-Gratia : 1 month Basic Salary per annum.

Explanation : For the purpose of category "A", family means the spouse, the dependent children and dependent parents of Mr. Vijay Moza.

Category B :

1. Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable Under the Income tax Act, 1961. Gratuity payable should not exceed half-a-month's salary for each completed year of service.
2. Encashment of leave as per the rules of the Company.

Category C :

Provisions of free use of Chauffeur driven car, telephone at the residence and entertainment expenses for Company's business subject to a maximum limit to be fixed by the Board of Directors from time to time considering nature of his duties. This will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to Mr. Vijay Moza.

In the event of loss or inadequacy of profits in financial year during the currency of the tenure of the Executive Director, the payment of salary, perquisites and other allowances shall be governed by limits prescribed Under the Schedule XIII of the Companies Act, 1956.

The other terms and conditions of appointment of the Executive Director will remain same as set out in the draft agreement dated 9th June, 2000.

The appointment of Mr. Vijay Moza and the remuneration payable to him requires the approval of the Shareholders under section 269 of The Companies Act, 1956. Accordingly the ordinary resolution as set out in the Notice is placed before the Shareholders for their approval.

Your directors recommend adoption of the Resolution set out at item no. 7 of the notice.

None of the directors is concerned or interested in the Resolution except Mr. Vijay Moza.

This explanatory note together with the accompanying notice is and should be treated as an abstract of the terms of service of Mr. Vijay Moza and memorandum of interest Under Section 302 of the Companies Act, 1956.

Item No. 8

The Board of Directors at their meeting held on 11th October, 1999 appointed Mr S Ray Chaudhuri as the Executive Director of the Company for a period of five years w.e.f. 1st October, 1999 subject to the necessary approvals.

Mr. S. Ray Chaudhuri has vast experience in Information Technology and Software Development. He has wide and varied international experience. The appointment of Mr. S. Ray Chaudhuri is appropriate and in the best interest of the Company.

The approval of the members is being sought to the terms, conditions and stipulations for the appointment of Mr. S. Ray Chaudhuri as the Executive Director and the remuneration payable to him. The terms and conditions fixed by the Board are keeping in line with the remuneration package that is necessary to encourage good professional managers with a sound corner record to occupy important position such as that of the Executive Director.

The material terms of appointment and remuneration as contained in the draft agreement are given below :

- a) Salary : Rs. 50,000 (Rupees fifty thousand) only per month.
- b) Perquisites : In addition to the above salary, Mr. S. Ray Chaudhuri shall also be entitled to the following perquisites and facilities as detailed in categories (A), (B) & (C). Such perquisites will be subject to a maximum of 100% of his annual salary.

Category A :

1. Medical Reimbursement : Expenses incurred for Mr. S. Ray Chaudhuri and his family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.
2. Leave Travel Concession : Leave travel concession for self and family once in a year incurred in accordance with the rules of the Company.
3. Club Fees : Fees of club subject to a maximum of two clubs excluding admission and life membership fees.
4. Personal Accident Insurance : Premium not to exceed Rs. 5000 per annum.

Category B :

1. Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable Under the Income Tax Act, 1961. Gratuity payable should not exceed half-a-month's salary for each completed year of service.
2. Encashment of leave as per the rules of the Company. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

Category C :

1. Provisions of car for use on Company's business and telephone at the residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Executive Director.
2. In the event of loss or inadequacy of profit in any financial year during the currency of the tenure of the Executive Director the payment of salary perquisites and other allowances shall be governed by limits prescribed under the Schedule XIII of the Companies Act, 1956.

The other terms & conditions of appointment of Mr. S. Ray Chaudhuri as an Executive Director of the Company will remain same as set out in the agreement dated 11th October, 1999.

The appointment of Mr. S. Ray Chaudhuri and the remuneration payable to him requires the approval of the Shareholders Under Section 269 of The Companies Act, 1956. Accordingly the ordinary resolution as set out in the Notice is placed before the Shareholders for their approval. Your Directors recommend adoption of the resolution set out at item no. 8 of the notice.

None of the Directors is interested in this resolution except Mr. S. Ray Chaudhuri.

Item no. 9

Mr. S. K. Rateria was appointed as Managing Director of the company for a period of five years effective from 1st October 1995 and the same to be expired as at the close on 30th September 2000. At the meeting of the Board of Directors held on 29th May, 2000 the Board noted that under the leadership of Mr. S. K. Rateria, the restructuring of the various business activities of the Company has resulted in total turn around of the Company.

Taking into consideration Mr. S. K. Rateria's achievements, vast knowledge, his abilities, background and experience in computer industry, the Board unanimously agreed that it will fit and proper in the best interest of the Company to re-appoint Mr. S. K. Rateria as the Managing Director of the Company for a further period of five years w.e.f. 1st October, 2000.

The terms and conditions has been re-appointed as the Managing Director of the Company shall contain the following remuneration which shall be within the overall ceilings as specified in Schedule XIII of the Companies Act, 1956.

- a) Salary : Rs. 80,000 (Rupees Eighty thousand) only per month.
- b) Perquisites : In addition to the above salary, Mr. S. K. Rateria shall also be entitled to the following perquisites and facilities as detailed in categories (A), (B) & (C). Such perquisites will be subject to a maximum of 100% of his annual salary.

**Category A :**

1. Housing I : The expenditure by the Company on hiring furnished accommodation for Mr. S. K. Rateria will be subject to the following ceiling :-
Sixty percent of the salary, over and above ten percent payable by Mr. S. K. Rateria.
- Housing II : In case the accommodation is owned by the Company, ten percent of the salary of Mr. S. K. Rateria shall be deducted by the Company.
- Housing III : In case no accommodation is provided by the Company, Mr. S. K. Rateria shall be entitled to house rent allowance subject to ceiling laid down in Housing I.

Explanations : The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income tax Rules. This shall, however, be subject to a ceiling of ten per cent of the salary of Mr. S. K. Rateria.
2. Medical Reimbursement : Expenses incurred for Mr. S. K. Rateria and his family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.
3. Leave Travel Concession : Mr. S. K. Rateria and his family, once in a year incurred in accordance with the rules of the Company.
4. Club Fees : Fees of club subject to a maximum of two clubs excluding admission and life membership fees.
5. Personal Accident Insurance : Premium not to exceed Rs.5000 per annum.

Explanation : For the purpose of category "A", family means the spouse, the dependent children and dependent parents of Mr. S. K. Rateria.

Category B :

1. Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income tax act, 1961. Gratuity payable should not exceed half-a-month's salary for each completed year of service.
2. Encashment of leave as per the rules of the Company.

Category C :

Provisions of free use of Chauffeur driven car for Company's business and telephone at the residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to Mr. S. K. Rateria.

In the event of loss or inadequacy of profits in financial year during the currency of the tenure of the Chairman-cum-Managing Director, the payment of salary, perquisites & other allowances shall be governed by limits prescribed Under the Schedule XIII of the Companies Act, 1956.

The other terms and conditions of appointment of the Chairman-cum-Managing Director will remain same as set out in the draft agreement dated 29th May, 2000.

The re-appointment Mr. S. K. Rateria and the remuneration payable to him requires the approval of the shareholders Under Section 269 of The Companies Act, 1956. Accordingly the ordinary resolution as set out in the Notice is placed before the Shareholders for their approval. Your directors recommend adoption of the Resolution set out at item no. 9 of the notice.

Mr. S. K. Rateria is deemed to be concerned or interested in the Resolution. Further, Mrs. Saroj Rateria, relative of Mr. S. K. Rateria is also deemed to be concerned or interested in the Resolution.

None of the other directors is concerned or interested in the Resolution.

This explanatory note together with the accompanying notice is & should be treated as an abstract of the terms of service of Mr. S. K. Rateria and memorandum of interest Under Section 302 of the Companies Act, 1956.

Item No. 10

Mr. A. K. Kedia was appointed as Wholtime Director of the company for a period of five years effective from 1st October 1995 and the same to be expired as at the close on 30th September 2000. At the meeting of the Board of Directors held on 29th May, 2000 the Board agreed that it will fit and proper in the best interest of the Company to re-appoint Mr. A. K. Kedia as an Executive Director of the Company for a further period of five years w.e.f. 1st October, 2000.

- a) Salary : Rs. 27,500 (Rupees twenty seven thousand five hundred) only per month as consolidated.