

12<sup>TH</sup>

ANNUAL REPORT  
1997-98

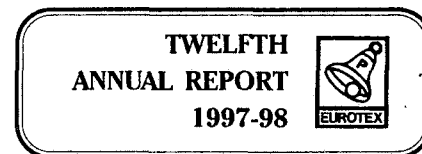
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**EUROTEX INDUSTRIES AND  
EXPORTS LIMITED**





## **EUROTEx INDUSTRIES AND EXPORTS LIMITED**

**100% EXPORT ORIENTED UNIT**

**AN ISO 9002 COMPANY**

### **BOARD OF DIRECTORS**

**Shri Krishan Kumar Patodia**

*Chairman and Managing Director*

**Shri Hariprasad Siotia**

**Shri Gopal Patodia**

**Shri Narayan Patodia**

*Managing Director*

**Shri Gurmukh J. Mirchandani**

**Shri Rajiv Patodia**

*Marketing Director*

**Shri G. B. Marathe**

**Shri K. C. Purohit**

**Shri A. R. Garde**

**Shri P. Sitaram**

*(Nominee of IDBI)*

**Shri M. D. Sohani**

*(Nominee of SICOM)*

### **EXECUTIVES**

**Shri S. K. Mukerjee**

*President*

### **COMPANY SECRETARY**

**Shri R. K. Agrawal**

### **BANKERS**

**STATE BANK OF INDIA**

### **AUDITORS**

**LODHA & COMPANY**

Chartered Accountants

Mumbai - 400 023.

### **REGISTERED AND HEAD OFFICE**

Raheja Chambers, 12th Floor,

213, Nariman Point, Mumbai - 400 021.

### **MILLS**

E-23, MIDC, Gokul Shirgaon,

Taluka Karveer, District Kolhapur - 416 234

Maharashtra.

### **SHARE TRANSFER AGENT**

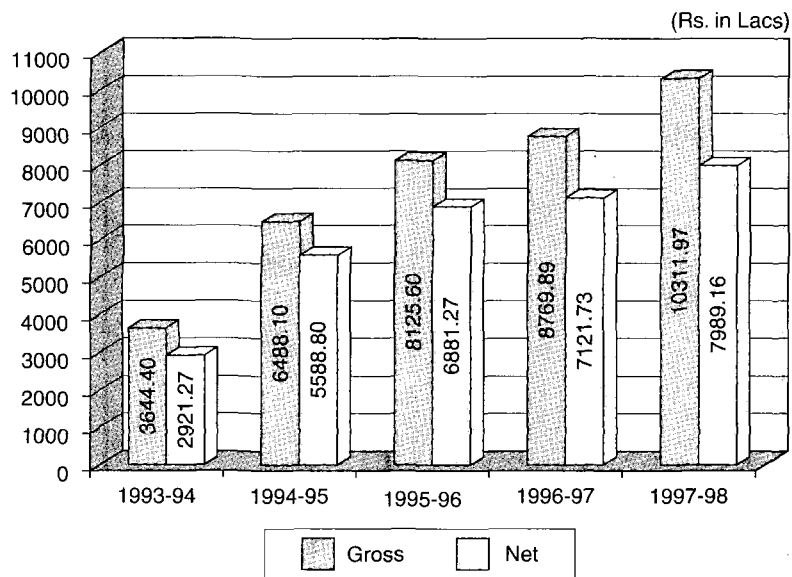
**DATAMATICS FINANCIAL SERVICES LIMITED**

Plot No.A-16/17 MIDC, Part B, Cross Lane,

Marol, Andheri (East), Mumbai - 400 093.

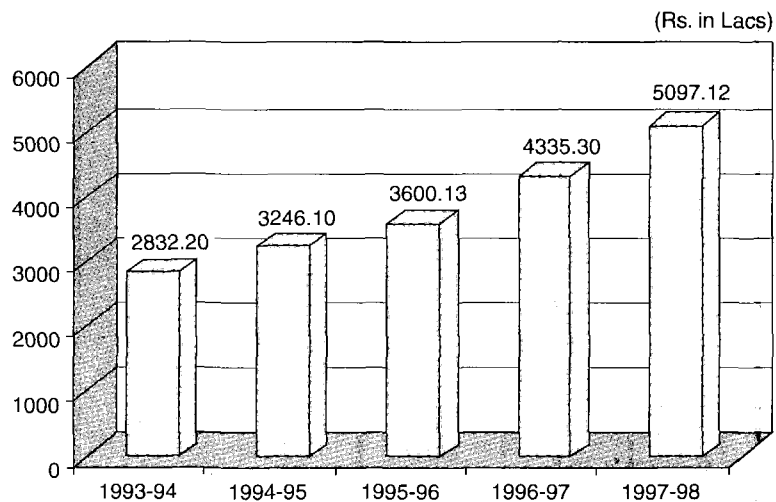
**EUROTEX  
INDUSTRIES AND EXPORTS  
LIMITED**

**FIXED ASSETS**  
(EXCLUDING REVALUATION)



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**NET WORTH**  
(NET OF REVALUATION RESERVE)



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## NOTICE

**NOTICE** is hereby given that the 12th Annual General Meeting of the Shareholders of EUROTUX INDUSTRIES AND EXPORTS LIMITED will be held at Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai 400 021 on Saturday, the 26th day of September, 1998 at 10.00 A.M. to transact, with or without modification, as may be permissible, the following business:

### ORDINARY BUSINESS

- 1) To receive, consider and adopt the Directors' Report, Auditors' Report, Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 1998.
- 2) To declare Dividend on Equity Shares and Preference Shares.
- 3) To appoint a Director in place of Shri Gopal Patodia who retires from office by rotation and, being eligible, offers himself for reappointment.
- 4) To appoint a Director in place of Shri G. J. Mirchandani who retires from office by rotation and, being eligible, offers himself for reappointment.
- 5) To appoint a Director in place of Shri G. B. Marathe who retires from office by rotation and, being eligible, offers himself for reappointment.
- 6) To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

"RESOLVED THAT M/s. Lodha & Company, Chartered Accountants, Mumbai, the retiring Auditors of the Company be and are hereby appointed as the Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company and that the Board of Directors be and is hereby authorised to fix their remuneration for the said period."

### SPECIAL BUSINESS

- 7) To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:  
"RESOLVED THAT Shri A. R. Garde be and is hereby appointed as the Director of the Company."
- 8) To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:  
"RESOLVED THAT Shri M. D. Sohani be and is hereby appointed as the Director of the Company."
- 9) To consider and, if thought fit, to pass the following Resolution as a Special Resolution:  
"RESOLVED THAT pursuant to provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the payment of remuneration not exceeding Rs. 19,000/- per month including usual allowances, benefits, amenities and facilities as per Company's Rules to Shri Ramkishore Siotia, a relative of Shri H. P. Siotia, Director, who was appointed as Executive in the Company by the Board of Directors, by their resolution passed in their meeting on 14th July, 1995."

- 10) To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves of the reappointment of Shri K. K. Patodia as Managing Director of the Company for a period of 5 years with effect from 1st October, 1998 to 30th September, 2003 on the terms of payment of remuneration specified hereinafter :

Shri K. K. Patodia shall be paid following remuneration by way of Salary, Perquisites and Commission during his tenure as Managing Director :

#### I. SALARY

Salary of Rs. 60,000/- per month.

#### II. PERQUISITES

Perquisites shall be restricted to an amount equal to the annual salary. Perquisites are classified into three categories 'A', 'B' & 'C' and the ceiling shall apply to category 'A' only.

#### CATEGORY 'A'

##### (i) Housing:

House Rent Allowance Rs. 24,000/- per month.

##### (ii) Gas, Electricity, Water and Furnishings :

The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per Income Tax Rules, and will be subject to a ceiling of 10% of the salary.

##### (iii) Medical Reimbursement:

For self and family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years. In addition to this he shall also be entitled to the benefit of medical treatment referred to in Proviso to Section 17(2) of the Income Tax Act, 1961 or subject to such modifications as may be made from time to time.

##### (iv) Leave Travel Concession:

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

##### (v) Club Fees:

Fees of clubs subject to a maximum of two clubs will be allowed. This will not include admission and Life Membership Fees.

##### (vi) Personal Accident and Mediclaim Insurance:

Personal Accident and Mediclaim Insurance for Self and family will be allowed.

For the purpose of this category, "family" means the spouse, dependent children and dependent parents.

##### (vii) In addition to above perquisites, the Board of Directors is hereby authorised to grant other

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perquisites to Shri K. K. Patodia, Managing Director from time to time as they may deem fit within the above mentioned overall ceilings.

**CATEGORY 'B'**

- i) **Provident Fund:**  
Company's contribution to Provident fund shall be as per the Scheme of the Company.
- ii) **Superannuation/Annuity Fund:**  
Company's contribution to Superannuation/Annuity Fund shall be in accordance with the scheme of the Company. Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling of perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.
- iii) **Gratuity:**  
As per the rules of the Company, payable in accordance with the approved fund at the rate of half a month's salary for each completed year of service.
- iv) **Encashment of Leave:**  
Appointee shall be entitled to Encashment of Leave at the end of tenure. This will not be included in calculation of ceiling on perquisites.

**CATEGORY 'C'**

- i) **Car:**  
Provision of car for use on Company's business. Use of car for private purpose shall be billed by the Company to the Managing Director.
- ii) **Telephone:**  
Telephone at residence, Personal long distance calls shall be billed by the Company to the Managing Director.

**III. COMMISSION**

In addition to salary and perquisites, Shri K.K. Patodia, Managing Director shall also be entitled to commission, the amount of which will be determined by the Board from time to time based on net profits of the Company subject to the ceiling stipulated in Section 198 and 309 of the Companies Act, 1956.

**IV. OTHER TERMS APPLICABLE TO THE ENTIRE TENURE**

In the event of loss or inadequacy of profits in any financial year, Shri K.K. Patodia, Managing Director shall be paid the above remuneration by way of salary and perquisites as minimum remuneration.

RESOLVED FURTHER THAT the total remuneration including salary, perquisites and commission payable to Shri K. K. Patodia, Managing Director shall not exceed 5% or such percentage of the Net Profit of the Company in any financial year as prescribed in the Companies Act or in the relevant schedule thereof and the Board of Directors shall be empowered to vary/alter the terms of remuneration within the limits specified as above.

RESOLVED FURTHER THAT the draft agreement between Shri K.K. Patodia and the Company in respect of his appointment as Managing Director, submitted to this meeting and, for identification, signed by the Chairman thereof, be and is hereby approved, with authority to the Board of Directors to do all such acts, deeds and things as may be necessary for this purpose."

- 11) To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves of the revision in terms of remuneration payable to Shri Narayan Patodia as Managing Director of the Company under the Agreement entered into between the Company and Shri Narayan Patodia pursuant to the approval of the Company in its 10th Annual General Meeting held on 26th September, 1996, with effect from 1st October, 1998 for the remaining tenure of his appointment upto 31st December, 2001 to the effect that Shri Narayan Patodia shall be paid with effect from 1st October, 1998, the following remuneration by way of Salary, Perquisites and Commission during his tenure as Managing Director :

**I. SALARY**

Salary of Rs. 40,000/- per month.

**II. PERQUISITES**

Perquisites shall be restricted to an amount equal to the annual salary. Perquisites are classified into three categories 'A', 'B' & 'C' and the ceiling shall apply to category 'A' only.

**CATEGORY 'A'**

- (i) **Housing:**
  - a) Expenditure incurred by the Company on hiring furnished accommodation will be subject to the ceiling, namely 60% of the salary over and above 10% payable by him.
  - b) In case the accommodation is owned by the Company, 10% of the salary shall be deducted by the Company.
  - c) In case no accommodation is provided by the Company, a house rent allowance subject to the ceiling laid down in Housing (a) above shall be paid.
- (ii) **Gas, Electricity, Water and Furnishings :**  
The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per Income Tax Rules, and will be subject to a ceiling of 10% of the salary.
- (iii) **Medical Reimbursement:**  
For self and family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years. In addition to this he shall also be entitled to the benefit of medical treatment referred to in Proviso to Section 17(2) of the Income Tax Act,

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1961 or subject to such modifications as may be made from time to time.

(iv) Leave Travel Concession:

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

(v) Club Fees:

Fees of clubs subject to a maximum of two clubs will be allowed. This will not include admission and Life Membership Fees.

(vi) Personal Accident and Mediciam Insurance:

Personal Accident and Mediciam Insurance for Self and family will be allowed.

For the purpose of this category, "family" means the spouse, dependent children and dependent parents.

(vii) In addition to above perquisites, the Board of Directors is hereby authorised to grant other perquisites to Shri Narayan Patodia, Managing Director from time to time as they may deem fit within the above mentioned overall ceilings.

**CATEGORY 'B'**

i) Provident Fund:

Company's contribution to Provident fund shall be as per the Scheme of the Company.

ii) Superannuation/Annuity Fund:

Company's contribution to Superannuation/Annuity Fund shall be in accordance with the scheme of the Company. Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling of perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.

iii) Gratuity:

As per the rules of the Company, payable in accordance with the approved fund at the rate of half a month's salary for each completed year of service.

iv) Encashment of Leave:

Appointee shall be entitled to Encashment of Leave at the end of tenure. This will not be included in calculation of ceiling on perquisites.

**CATEGORY 'C'**

i) Car:

Provision of car for use on Company's business. Use of car for private purpose shall be billed by the Company to the Managing Director.

ii) Telephone:

Telephone at residence, Personal long distance calls shall be billed by the Company to the Managing Director.

**III. COMMISSION**

In addition to salary and perquisites, Shri Narayan Patodia, Managing Director shall also be entitled to commission,

the amount of which will be determined by the Board from time to time based on net profits of the Company subject to the ceiling stipulated in Section 198 and 309 of the Companies Act, 1956.

**IV. OTHER TERMS APPLICABLE TO THE REMAINING TENURE**

In the event of loss or inadequacy of profits in any financial year, Shri Narayan Patodia, Managing Director shall be paid the above remuneration by way of salary and perquisites as minimum remuneration.

RESOLVED FURTHER THAT the total remuneration including salary, perquisites and commission payable to Shri Narayan Patodia, Managing Director shall not exceed 5% or such percentage of the Net Profit of the Company in any financial year as prescribed in the Companies Act or in the relevant schedule thereof and the Board of Directors shall be empowered to vary/alter the terms of remuneration within the limits specified as above.

RESOLVED FURTHER THAT the draft agreement between Shri Narayan Patodia and the Company as regards the revised terms of remuneration submitted to this meeting and for identification, signed by the Chairman thereof, be and is hereby approved, with authority to the Board of Directors to do all such acts, deeds and things as may be necessary for this purpose."

12) To consider and, if thought fit, to pass the following Resolution as a Special Resolution :

"RESOLVED THAT pursuant to the provisions of Section 31(1) of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered by the addition of a new Article 3A after Article 3 as follows :-

"Notwithstanding anything contained in the preceding Article 3, the Company shall have power, subject to and in accordance with applicable provisions of the Companies Act, 1956 as amended from time to time, to purchase any of its own fully paid shares (whether or not redeemable) and shall make payment in respect of such purchase(s) in accordance with the provisions of law."

13) To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution :

"RESOLVED THAT consent of the shareholders be and is hereby accorded for the dematerialisation of the shares and securities of the Company in accordance with the provisions of the Depositories Act, 1996 and the Board of Directors of the Company be and is hereby authorised to enter into such agreement / arrangement as they may, in their absolute discretion, deem fit, with any depository as defined under the Depositories Act, 1996, for the purpose of dematerialisation of the shares and securities of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do and execute all such acts, deeds, matters and things as may be necessary for giving effect to the above resolution."

14) To consider and, if thought fit, to pass with or without modifications, the following Resolution as a Special Resolution :

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 and provisions



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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 and are hereby altered as follows :-

- (i) In Article 1 relating to interpretation of various expressions, the following shall be inserted after the definitions of "These Articles" and before the definition of "the Company" :

"Beneficial Owner" shall have the meaning assigned thereto in Section 2 of the Depositories Act, 1996;

"Depository Act" means the Depositories Act, 1996 and shall include any statutory modification(s) or re-enactment thereof for the time being in force;

"Depository" shall mean a Depository as defined in Section 2 of the Depositories Act, 1996;

"Shareholder(s)" or Member(s)" means the duly registered holder(s) from time to time of the share(s) of the Company and includes the subscriber(s) to the Memorandum of the Company and also every person holding Equity Share(s) and/or Preference Share(s) of the Company as also one whose name is entered as the beneficial owner of Equity Share(s) and/or Preference Share(s) of the Company in the records of the Depository; and

"Debentureholder(s)" or "Securityholder(s)" means the duly registered holders from time to time of the debenture(s) or securities (other than Equity or Preference Shares) of the Company as well as the person(s) whose name(s) is/are entered as the beneficial owner of Debenture(s) and / or other securities (not being Equity or Preference Shares) of the Company.

- (ii) After the existing Article 13, the following new Article 13A shall be inserted:

**13A. Beneficial Owner deemed as absolute owner**

Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears as the beneficial owner of the shares, debentures and other securities in the records of the Depository as the absolute owner thereof as regards receipt of dividends or bonus on shares, interest/premium on debentures and other securities and repayment thereof or for service of notices and all or any other matters connected with the Company and accordingly the Company shall not (except as ordered by the court of competent jurisdiction or as by law required and except as aforesaid) be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such shares, debentures or other securities as the case may be, on the part of any other person whether or not it shall have express or implied notice thereof.

- (iii) After the existing Article 17, the following new Article 17A shall be inserted:

**17A. Company entitled to dematerialise its shares, debentures and other securities notwithstanding**

anything contained in these Articles, the Company shall be entitled to dematerialise its shares, debentures and other securities and to offer any shares, debentures or other securities proposed to be issued by it for subscription in a dematerialised form and on the same being done, the Company shall further be entitled to maintain a Register of Members/ Debentureholders/ other Securityholders with the details of members / debentureholders / other Securityholders holding shares, debentures or other securities both in materialised and dematerialised form in any media as permitted by law including any form of electronic media, either in respect of the existing shares, debentures or other securities or any future issues thereof.

- (iv) The following shall be inserted as a new Article 17B after the proposed new Article 17A:

**17B. Shares, Debentures and other Securities held in Electronic Form.**

In the case of transfer of Shares, debentures or other securities where the Company has not issued any certificates and where such shares, debentures or other securities are being held in an electronic and fungible form, the provisions of the Depositories Act, shall apply.

- (v) The following shall be inserted as new Article 17C after the proposed new Article 17B.

**17C. Issue of Certificate, if required, in the case of dematerialised shares / debentures / other securities and rights of beneficial owner of such shares / debentures / other securities.**

Notwithstanding anything contained in Articles 14 to 17, certificate, if required, for a dematerialised share, debenture and any other security shall be issued in the name of the Depository and all the provisions contained in Articles 14 to 17 in respect of the rights of a member / debentureholder of the Company shall *mutatis mutandis* apply to the Depository as if it were a member/debentureholder/ securityholder excepting that and notwithstanding that the Depository shall have been registered as the holder of a dematerialised share, debenture and any other security, the person who is the beneficial owner of such shares, debentures and other securities shall be entitled to all the rights (other than those set out in Articles 14 to 17) available to the registered holders of the shares, debentures and other securities, in the Company as set out in the other provisions of these Articles.

- (vi) After the existing Article 35, the following proviso shall be inserted :-

Provided that the provisions relating to the waiver of the Company's lien, if any, on partly paid shares on registration for transfer of such shares shall also *mutatis mutandis* apply in respect of a dematerialised share, debenture and any other security, the beneficial owner of which is registered with the Depository and where such beneficial owner shall have transferred his dematerialised shares, debentures and other securities.



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(vii) After the existing Article 44, the following new Article 44A shall be inserted:

**44A. Applicability of Depositories Act :**

Nothing contained in Articles 40 to 44 shall apply to the transfer of shares, debentures or other securities effected by the transferor and the transferee, both of whom are entered as beneficial owners in the records of the Depository.

Provided that in respect of the shares, debentures and other securities held by the Depository on behalf of a beneficial owner as defined in the Depositories Act, Sections 153, 153A, 153B, 187B, 187C and 372 of the Companies Act, 1956, shall not apply.

(viii) After the existing Article 47A, the following new Article 47A shall be inserted:

**47A. Closing of the Register of Members / Debentureholders / securityholders in the case of dematerialised shares/debentures/other securities.**

- (a) The provisions of Articles 40 to 44, Articles 45 and 46 shall not apply in respect of any dematerialised share, debenture or other security, and the transfer of beneficial ownership of dematerialised shares, debentures and other securities shall be governed by the provisions of the Depositories Act.
- (b) The provisions of Article 47 regarding closure of Register of Members and Debentureholders for registration of transfer of shares and debentures shall *mutatis mutandis* apply with respect to the registration of the beneficial ownership of the dematerialised shares, debentures and other securities of the Company maintained by the Depository."

By Order of the Board

Mumbai  
Dated: 31st July, 1998

**R. K. Agrawal**  
Company Secretary

**Registered Office :**  
Raheja Chambers, 12th Floor,  
213, Nariman Point, Mumbai - 400 021.

**NOTES**

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- b) THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- c) An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Resolution as per Item No. 6 and the Special Business as per Item Nos. 7 to 14 of the Notice set out above is annexed hereto.
- d) Members holding more than one Share Certificate in the same name under different ledger folios are requested to apply for the consolidation of such folios and send the relevant Share Certificates to the Registrars, M/s. Datamatics Financial Services Ltd., Plot No. A-16/17 MIDC, Part B, Cross Lane, Marol, Andheri (East), Mumbai - 400 093.
- e) Members are requested to notify immediately any change in their addresses to the Registrars at the address as mentioned above.
- f) If Dividend on Shares as recommended by the Directors is declared at the Meeting, payment of such Dividend will be made within 42 days of the date of Annual General Meeting to those members whose names appear on the Register of Members of the Company as on 26th September, 1998.
- g) The Register of Members and the Transfer Books of the Equity Shares will remain closed from Friday, the 11th September, 1998 to Saturday, the 26th September, 1998 (Both days inclusive).
- h) Those members who have so far not encashed their Dividend Warrants for the Financial year ended 31st March, 1995 may claim or approach the Company for the payment as the same will be transferred to the General Revenue Account of the Central Government on or before 8th November, 1998.
- i) Pursuant to Section 205A of the Companies Act, 1956 all unclaimed Dividends upto the financial year 1993-94 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed the Dividend Warrants for the said period are requested to claim the amount from the Registrar of Companies, Maharashtra, Mumbai.

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**EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.**

**ITEM NO. 6**

Section 224 A of the Companies Act, 1956, provides that in the case of a Company of which not less than 25% of the Subscribed Capital is held either singly or in any combination by Public Financial Institutions, Government Companies etc, the appointment or re-appointment of an auditor of that Company has to be made by a Special Resolution.

In the case of the Company, the holding of the Financial Institutions exceeds 25% of its Subscribed Capital hence a Special Resolution is required to be passed for re-appointing M/s. Lodha & Company as Auditors.

**ITEM NO. 7**

Shri A. R. Garde was appointed as an Additional Director of the Company during the year 1997-98. Under the provisions of Section 260 of the Companies Act, 1956 and the Articles of Association of the Company, Shri A. R. Garde vacates his office at the ensuing Annual General Meeting. Notice as required under Section 257 of the Companies Act, 1956 together with the requisite deposit of Rs. 500/- have been received by the Company from a member signifying his intention to propose the appointment of Shri A.R. Garde as the Director of the Company.

Shri A. R. Garde is an Ex-Director of Ahmedabad Textile Research Association (ATIRA). He is having very rich experience in Textiles. Your Directors, therefore recommend his appointment on the Board.

Shri A.R. Garde is interested in the above Resolution concerning his appointment. Except him no other Director is in any way, concerned or interested in the Resolution.

**ITEM NO. 8**

Shri M. D. Sohani, Nominee of SICOM Limited was appointed as Additional Director under Section 260 on 31st July, 1998. Under the provisions of Section 260 of the Companies Act, 1956 and the Articles of Association of the Company, Shri M. D. Sohani vacates his office at the ensuing Annual General Meeting. Notice as required under Section 257 of the Companies Act, 1956 together with the requisite deposit of Rs. 500/- has been received by the Company from a member signifying his intention to propose the appointment of Shri M. D. Sohani as the Director of the Company.

Shri M. D. Sohani is interested in the Resolution concerning his appointment. Except him no other Director is in any way, concerned or interested in the Resolution.

**ITEM NO. 9**

The Board of Directors in their meeting on 30th May, 1998 have passed necessary Resolution for increase in the remuneration payable to Shri Ramkishore Siotia who is a relative of one of the Directors of the Company and looks after general administration of the Company. Under the provisions of Section 314, the payment of remuneration exceeding Rs. 10,000/- per month requires approval of the members by way of Special Resolution. Hence the Special Resolution is being proposed for necessary approval of the Shareholders.

Shri H.P. Siotia, Director, being relative of Shri Ramkishore Siotia is interested in the Special Resolution. Besides him no other Director of the Company is in any way concerned or interested in the Resolution.

**ITEM NO. 10**

The re-appointment of Shri K.K. Patodia as Managing Director of the Company for a period of five years commencing from 1st October, 1993, was approved by the Company in its Extra Ordinary General Meeting held on 9th November, 1993. The Board of Directors of the Company at their meeting held on 31st July, 1998 has, in accordance with the provisions of the Articles of Association of the Company and subject to the approval of the Shareholders in General Meeting, sought to re-appoint Shri K.K. Patodia as Managing Director of the Company for a further period of five years from 1st October, 1998 till 30th September, 2003 on the terms and conditions specified in the draft Agreement to be placed before the Meeting.

The draft of the Agreement to be entered by the Company with Shri K.K. Patodia is available for inspection by the members at the registered office of the Company on all working days, between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.

The Board accordingly recommends the resolution at Item No. 10. Shri K.K. Patodia himself and Shri Narayan Patodia, Shri Gopal Patodia and Shri Rajiv Patodia being the relatives of Shri K.K. Patodia are interested in the above said Resolution. Besides above none of the other Directors of the Company is in any way, concerned or interested in the Resolution.

Terms and Conditions of the remuneration given in the Resolution may be treated as an abstract of the terms of contract under Section 302 of the Companies Act, 1956.

**ITEM NO. 11**

At the 10th Annual General Meeting held on 26th September, 1996 Shareholders have approved the re-appointment of Shri Narayan Patodia as Managing Director of the Company with effect from 1st January, 1997 upto 31st December, 2001 on the terms and conditions as set out in the agreement submitted at the said Meeting a copy whereof duly initialled by the Chairman for the purpose of identification was kept before the Meeting.

The Board of Directors of the Company have at their meeting held on 31st July, 1998 considered that in view of the increasing volume of business of the Company, it is desirable to revise the terms of payment of Managerial Remuneration to Shri Narayan Patodia with effect from 1st October, 1998 till remaining period of his appointment 31st December, 2001 as per the terms and conditions contained in the draft Supplemental Agreement placed before the Board meeting. The said revised terms of payment, as decided by the Board, shall be subject to the approval of the Shareholders at the General Meeting. The existing agreement between Shri Narayan Patodia and the Company alongwith a copy of the draft Supplemental Agreement between Shri Narayan Patodia and the Company as regards the revised terms of remuneration is available for inspection on any working day between 11.00 A.M. and 1.00 P.M. at the Registered Office of the Company upto the date of the Annual General Meeting.

The Board accordingly recommends the Resolution at Item No. 11. Shri Narayan Patodia himself, Shri K.K. Patodia and Shri Gopal Patodia being the relatives of Shri Narayan Patodia are interested in the above said Resolution. None of the other Directors of the Company is in any way, concerned or interested in the Resolution.