



INDIAN ORGANIC CHEMICALS LIMITED

39TH ANNUAL REPORT 1998-99



INDIAN ORGANIC CHEMICALS LIMITED

"Request to the Shareholders"

Members desirous of seeking any information about the accounts and/or operations of the Company are requested to address their queries to the Secretary of the Company at least seven days in advance of the meeting so that the information, to the extent practicable, can be made available at the meeting.

Members are requested to bring their copy of the Annual Report to the meeting.

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INDIAN ORGANIC CHEMICALS LIMITED

Board of Directors

S.B. Ghia	<i>Chairman & Managing Director</i>
M.D. Dalal	<i>Jt. Managing Director</i>
D.B. Ghia	
Jaykrishna Harivallabhdas	
F.A.A. Jasdanwalla	
S.S. Marathe	
R.B. Raheja	
S.G. Makim	<i>Director Chemicals Division</i>
M.N. Tumbe	<i>Director Futura Synthetics Division</i>

President (Legal) & Company Secretary

S. Ramachandran

Bankers

Bank of India
State Bank of India
Union Bank of India
ABN Amro Bank N.V.
Indian Bank
United Commercial Bank

Auditors

Messrs. N.M. Raiji & Co.

Registrar and Share Transfer Agents

Tata Consultancy Services,
Lotus House,
6, New Marine Lines,
MUMBAI 400 020.

Registered Office

Bhupati Chambers, 3rd Floor
13, Mathew Road
MUMBAI 400 004.



INDIAN ORGANIC CHEMICALS LIMITED

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 39th ANNUAL GENERAL MEETING of the Members of INDIAN ORGANIC CHEMICALS LIMITED will be held at Jaihind College Auditorium, 'A' Road, Churchgate, Mumbai 400 020 on Wednesday the 29th day of September, 1999 at 3.00 p.m. to transact the following business :

1. To receive, consider and adopt the audited Balance Sheet as at Profit and Loss Account for the year ended 31st March, 1999 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. F.A.A. Jasdanwalla who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. D. B. Ghia who retires by rotation and, being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. S.G. Makim, an Additional Director of the Company who, under Section 260 of the Companies Act, 1956, ("the Act") holds office only upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing under Section 257 and other applicable provisions, if any, of the Act, proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company."

5. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. M.N. Tumbe, an Additional Director of the Company who, under Section 260 of the Companies Act, 1956, ("the Act") holds office only upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing under Section 257 and other applicable provisions, if any, of the Act, proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company."

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

"RESOLVED THAT M/s. N.M. Raiji & Co., Chartered Accountants, be and are hereby re-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

to be mutually discussed and decided by the Board of Directors of the Company and other incidental out-of-pocket expenses incurred by them for the purpose of audit."

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

"RESOLVED

(1) **THAT** pursuant to the provisions of Sections 198, 269, 309, 314 and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") the consent of the Members be and is hereby accorded to the appointment of Mr. Shyam B. Ghia as Managing Director of the Company (notwithstanding that he is a relative of Mr. D.B. Ghia, a Director of the Company) for a period of 5 (five) years with effect from 1st April, 1999 on the terms and conditions, inter alia including the remuneration payable to him as Managing Director and the minimum remuneration payable to him in case of absence or inadequacy of profits in any year, as set out in the draft agreement placed before this meeting and for the purpose of identification initialled by the Chairman hereof;

(2) **THAT** the Directors be and they are hereby authorised to execute the Agreement, in terms of the said draft and to increase, augment, alter, change and/or vary the remuneration payable to Mr. Ghia as may be agreed between the Board of Directors and Mr. Ghia Provided that the said remuneration as increased, augmented, altered, changed or varied shall be in accordance with the limits prescribed thereof under Schedule XIII of the Act for the time being and from time to time in force."

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

"RESOLVED

(1) **THAT** pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") , the consent of the Members be and is hereby accorded to the appointment of Mr. Mukund D. Dalal as Joint Managing Director of the Company for a period of 5 (five) years with effect from 1st April, 1999 on the terms and conditions, inter alia including the remuneration payable to him as

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Joint Managing Director and the minimum remuneration payable to him in case of absence or inadequacy of profits in any year, as set out in the draft agreement placed before this meeting and for the purpose of identification initialled by the Chairman hereof;

- (2) **THAT** the Directors be and they are hereby authorised to execute the Agreement, in terms of the said draft and to increase, augment, alter, change and/or vary the remuneration payable to Mr. Dalal as may be agreed between the Board of Directors and Mr. Dalal Provided that the said remuneration as increased, augmented, altered, changed or varied shall be in accordance with the limits prescribed thereof under Schedule XIII of the Act for the time being and from time to time in force."

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

"RESOLVED

- (1) **THAT** the Members do hereby ratify the appointment of Mr. S.G. Makim as Whole Time Director from 23rd April, 1999 till the date of this meeting and further the members accord their consent to his appointment as Whole Time Director from the date of this meeting till 30th November, 2001 pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") on the terms and conditions inter alia including the remuneration payable to him as Whole Time Director and the minimum remuneration payable to him in case of absence or inadequacy of profits in any year, as set out in the draft agreement placed before this meeting and for the purpose of identification initialled by the Chairman hereof;

- (2) **THAT** the Directors be and they are hereby authorised to execute the Agreement, in terms of the said draft and to increase, augment, alter, change and/or vary the remuneration payable to Mr. Makim as may be agreed between the Board of Directors and Mr. Makim Provided that the said remuneration as increased, augmented, altered, changed or varied shall be in accordance with the limits prescribed thereof under Schedule XIII of the Act for the time being and from time to time in force."

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

"RESOLVED

- (1) **THAT** the Members do hereby ratify the appointment of Mr. M.N. Tumbe as Whole Time Director from 23rd April, 1999 till the date of this meeting and further the members accord their consent to his appointment as Whole Time Director from the date of this meeting till 31st March, 2004 pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") on the terms and conditions inter alia including the remuneration payable to him as Whole Time Director and the minimum remuneration payable to him in case of absence or inadequacy of profits in any year, as set out in the draft agreement placed before this meeting and for the purpose of identification initialled by the Chairman hereof;

- (2) **THAT** the Directors be and they are hereby authorised to execute the Agreement, in terms of the said draft and to increase, augment, alter, change and/or vary the remuneration payable to Mr. Tumbe as may be agreed between the Board of Directors and Mr. Tumbe Provided that the said remuneration as increased, augmented, altered, changed or varied shall be in accordance with the limits prescribed thereof under Schedule XIII of the Act for the time being and from time to time in force."

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

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956; and subject to such approvals, consents, permissions and sanctions as may be necessary from appropriate authorities, the Articles of Association of the Company be altered in the following manner:

- (i) The following new Article with marginal notes as indicated be inserted as Article 24A after the existing Article 24:

24A DE MATERIALISATION OF SECURITIES

Definitions 1) For the purpose of this Article:

'Beneficial Owner' means a person or persons whose name/s is/are recorded as such with a depository;

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



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'Depository' means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration to act as a depository under the Securities & Exchange Board of India Act, 1992;

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

'Depositories Act, 1996' shall include any statutory modification or re-enactment thereof.

'Registered owner' means a Depository whose name is entered as such in the records of the Company.

Dematerialization of Securities

- 2) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize/rematerialise its securities and to offer securities in a dematerialized form pursuant to the Depositories Act, 1996.

Options for Investors

- 3) Every person subscribing to securities offered by the Company shall have the option to receive security certificates 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 the law, in respect of any security in a 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 Certificate of Securities.

If 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 the information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the security.

Securities in Depositories to be in fungible Form

- 4) All securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

Rights of Depositories and Beneficial owners

- 5) (a) 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.

- (b) Save as otherwise provided in (a) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository.

Service of Documents

- 6) Notwithstanding anything contained in the Act or these Articles to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

Transfer of Securities

- 7) (a) Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by transferor and transferee both of whom are entered as beneficial owners in the records of a Depository.
- (b) In the case of transfer or transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.

Allotment of Securities dealt with in a Depository

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

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Certificate number and Distinctive numbers of securities held in a Depository 9) Nothing contained in the Act or these Articles regarding the necessity of having certificate number/distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.

Register and Index of Beneficial Owners 10) The Register and Index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

- ii) The following new Articles with marginal notes as indicated be inserted as Articles 67(A) and 67(B) after the existing Article 67:

67(A)

Nomina- tion

- 1) Every holder of share(s) in and/or debenture(s) of the Company, so entitled under the Act and Rules framed thereunder, may, at any time, nominate, in the manner prescribed under the Act, a person to whom his share(s) in and/or debenture(s) of the Company shall vest in the event of his death.
- 2) Where the share(s) in and/or debenture(s) of the Company are held by more than one person jointly, the joint-holders, so entitled under the Act and Rules framed thereunder, may, together nominate, in the manner prescribed under the Act, a person to whom all the rights in the share(s) and/or debenture(s) of the Company, as the case may be, shall vest in the event of death of all the joint holders.
- 3) Notwithstanding anything contained in any other law for the time being in force or in these Articles or in any disposition, whether testamentary or otherwise, in respect of the share(s) in and/or debenture(s) of the Company, where a nomination made in the manner prescribed under the Act, purports to confer on any person the right to vest the share(s) in and/or debenture(s) of the Company, the nominee shall, on the death of the shareholder and/or debentureholder concerned or on the death of the jointholders, as the case may

be, become entitled to all the rights in relation to such share(s) and/or debenture(s), to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner prescribed under the Act.

- 4) Where the nominee is a minor, the holder of the share(s) in and/or debenture(s) of the Company can make a nomination in the manner prescribed under the Act, to appoint any person to become entitled to the share(s) in and/or debenture(s) of the Company, in the event of his death, during the minority.

67(B)

Transmis- sion in case of nomination

- 1) Notwithstanding anything contained in these Articles, any person who becomes a nominee by virtue of the provisions of Article 67(A), upon the production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either
 - (a) to be registered himself as holder of the share(s) and/or debenture(s), as the case may be; or
 - (b) to make such transfer of the share(s) and/or debenture(s), as the case may be, as the deceased shareholder and/or debentureholder concerned or deceased jointholder, as the case may be, could have made.
- 2) If the person being a nominee, so becoming entitled, elects himself to be registered as holder of the share(s) and/or debenture(s), as the case may be, he shall deliver or send to the Company, a notice in writing duly signed by him stating the nominee concerned so elects and such notice shall be accompanied with the death certificate(s) of the deceased shareholder/debentureholder/jointholders, as the case may be.
- 3) All the limitations, restrictions and provisions of these Articles, relating to the right to transfer and the registration of transfers of share(s) and/or debenture(s) shall be applicable to any such notice or transfer as aforesaid as if the death of the shareholder/debentureholder had not occurred and the notices or transfers were signed by



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that shareholder and/or debentureholder or jointholders, as the case may be

- 4) A person, being a nominee, becoming entitled to the share(s) and/or debenture(s) by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share(s) and/or debenture(s), except that he shall not, before being registered a member in respect of his share(s) or debenture(s), be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share(s) and/or debenture(s); and if the notice is not complied with, within ninety days, the Board may thereafter withhold payments of all dividends, bonuses or other moneys payable or rights accruing in respect of the share(s) and/or debenture(s), until the requirements of the notice have been complied with."

12. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED

- (1) **THAT** subject to the approvals including the approval of the Government of India for transfer of Export Oriented Unit (EOU) Licence and attendant export obligations, if any, required or necessary, consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the Company (hereinafter called "the Board") to sell, transfer, lease and/or otherwise dispose off, to Futura Polymers Limited, Chennai, a wholly owned subsidiary of the Company, as a running business or in any other manner, the whole or substantially the whole or any part of the Company's undermentioned undertaking (including all the right, title and interest in the

assets, properties and stocks of every kind and description whether tangible or intangible) situate at Manali, Chennai, viz. the Company's Silver Export Oriented Project, from such date and on such terms and conditions as may be considered or deemed expedient, necessary or desirable by the Board;

- (2) **THAT** the Board be and is hereby authorised to finalise and decide on the terms and conditions of sale/transfer/disposition including consideration, the date of transfer, of the assets to be sold/transferred/disposed off.
- (3) **THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things (including finalising and executing deeds, documents and writings) as it may, in its sole and absolute discretion deem necessary, proper and/or desirable and to decide and settle any question, doubt or difficulty that may arise in regard to the sale/transfer/ disposition including the retention of any asset or liability of the undertaking as the Board, in its sole discretion, deems fit."

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 a proxy need not be a member.
2. Proxies should be lodged at the Company's Registered office at least 48 hours before the commencement of the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday 15th September, 1999 to Wednesday 29th September, 1999 (both days inclusive).
4. The relevant Explanatory Statement pursuant to the provisions of Section 173 of the Companies Act, 1956 in respect of the items no.4, 5 and 7 to 12 of the notice are annexed hereto.

Registered Office:
Bhupati Chambers,
3rd Floor, 13, Mathew Road,
Mumbai 400 004.

By Order of the Board

S. Ramachandran
President (Legal) &
Company Secretary

Dated: 23rd August, 1999.

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ANNEXURE TO THE NOTICE

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

ITEM NO. 4

Mr. S.G. Makim who had been President of the Chemicals Division of the Company was appointed with effect from 23rd April, 1999 as Additional Director and as Whole Time Director and designated as Director-Chemicals Division. Pursuant to Section 260 of the Companies Act, 1956 ("the Act") and Article 114 of the Articles of Association of the Company Mr. Makim will hold office as Additional Director upto this Annual General Meeting. The Company has received a notice in writing along with a deposit of Rs. 500/- from a member under Section 257 and other applicable provisions of the Act proposing Mr. S.G. Makim's candidature as Director of the Company.

Mr. S.G. Makim holds degrees in B.Sc. (Bombay) and B.S.Ch.E. (U.S.A.) and has been with the Company since 1st April, 1968 and has overall experience of 39 years. He is an Executive Committee Member of Indian Chemicals Manufacturers Association and Chairman, Panel III (Inorganic, Organic & Agrochemicals) of Basic Chemicals, Pharmaceutical & Cosmetics Export Promotion Council (CHEMEXIL).

Considering his long years of service with the Company and the need to have an experienced professionals on the Board, it has been decided, in the interest of the Company, to appoint Mr. Makim as a Director. The Board, therefore, recommends his appointment.

None of the Directors other than Mr. Makim is deemed to be interested or concerned in the passing of this resolution.

ITEM NO. 5

Mr. M.N. Tumbe, who had been President of Futura Synthetics Division of the Company, was appointed with effect from 23rd April, 1999 by the Board of Directors as Additional Director and as Whole Time Director and designated as Director-Futura Synthetics Division. Pursuant to Section 260 of the Companies Act, 1956 ("the Act") and Article 114 of the Articles of Association of the Company, Mr. Tumbe will hold office as Additional Director upto this Annual General Meeting. The Company has received a notice in writing along with deposit of Rs. 500/- from a member under Section 257 and other applicable provisions of the Act proposing Mr. M.N. Tumbe's candidature as Director of the Company.

Mr. M.N. Tumbe is well known in textile and synthetic fibre industry. He holds Master's Degree in Textile Technology from Bombay University and is with the

Company since 3rd April, 1984. Prior to that he was employed in Chika Limited as Head of Synthetic Fibre Division. He has overall 35 years of experience. Mr. Tumbe was President of Association of Synthetic Fibre Manufacturers for three years.

Considering his long years of service with the Company and the need to have an experienced professionals on the Board, it has been decided, in the interest of the Company, to appoint Mr. Tumbe as a Director. The Board, therefore, recommends his appointment.

None of the Directors other than Mr. Tumbe is deemed to be interested or concerned in the passing of this resolution.

ITEM NO. 7 & 8

Members will recall that at the Extra-Ordinary General Meeting of the Company held on 24th April, 1994, members had approved the appointment of, and remuneration payable to :

- i) Mr. S.B. Ghia as Chairman & Managing Director of the Company for period of 5 years w.e.f. 1st April, 1994, and
- ii) Mr. M.D. Dalal as Joint Managing Director of the Company for period of 5 years w.e.f. 1st April, 1994.

The respective appointments of each of Mr. Ghia and Mr. Dalal had expired by efflux of time on 31st March, 1999.

Your Directors have, subject to the approval of the Company's members in general meeting, re-appointed both Mr. S.B. Ghia and Mr. M.D. Dalal as Managing Director and Joint Managing Director respectively of the Company for a period of 5 years from 1st April, 1999 on the terms and conditions set out in the draft Agreements to be entered into by the Company with Mr. S.B. Ghia and Mr. M.D. Dalal respectively.

The material terms, including remuneration incorporated in the said draft Agreements are as follows :-

- (A) Period (for both) : 5 years from 1st April, 1999
- (B) Remuneration : (in case of adequacy of profits)

Mr. S.B. Ghia

- (a) a salary of Rs. 55,000 per month (inclusive of dearness allowance) in the grade of Rs. 50,000-1,000-60,000 per month with liberty to the Board to withhold increments or to give more than one increment per year

Mr. M.D. Dalal

- (a) a salary of Rs. 45,000 per month (inclusive of dearness allowance) in the grade of Rs. 40,000 1,000-50,000 per month with liberty to the Board to withhold increments or to give more than one increment per year



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and to each of them

- (b) Commission @ of 1(one) per cent of the net profits of the Company;
- (c) City compensatory allowance of Rs. 1,800/- per month when based in Mumbai;
- (d) Fully furnished residential accommodation (with furniture, fixtures and fittings) owned, leased or licensed by the Company (including repairs and maintenance thereof) OR, in lieu thereof, a house rent allowance at the rate of 50% of the monthly salary;
- (e) Reimbursement of gas, electricity and water charges as also furnishings evaluated as provided for in the Income-tax Rules, 1962;
- (f) Use of 1(one) motor-car with driver, for the Company's business all running and maintenance expenses therefor to be borne by the Company;
- (g) Benefit of the Company's Provident Fund Scheme, and the Superannuation or Annuity Fund Scheme, for the time being in force together with the benefit of any retirement Fund or Scheme which the Company may introduce in future;
- (h) Gratuity in accordance with the Rules of the Company;
- (i) Reimbursement of actual medical expenses (including medical insurance, Hospital/Nursing Home/ Surgical and Optical cost/expenses) incurred for self and family;
- (j) Benefit of sick leave in accordance with the Rules of the Company;
- (k) 30 days privilege leave with full pay and allowances for each year of service being accumulatable and encashable;
- (l) Benefit of 1st class air/air-conditioned train, and/or such other mode of conveyance as the appointee may opt for self and family, while proceeding on privilege leave, together with hotel/board and lodging expenses incurred at actuals;
- (m) Personal accident insurance cover provided the actual premium thereof does not exceed Rs. 4,000 per year or such other amount as the Directors think fit;
- (n) Use of 1 (one) telephone for the Company's business at the residence, Provided that the cost of personal long distance calls, if any, shall be reimbursed by the appointee to the Company;
- (o) Fees (including entrance and subscription) of Clubs (subject to a maximum of 2 clubs) together with the benefit of all expenses incurred in or towards the business of the Company;

PROVIDED that the remuneration aforesaid shall not in any financial year, exceed:

5 (five) per cent of net profits of the Company (where the Company has only one managerial personnel),

OR

10 (ten) per cent of net profits (where the Company has more than one managerial personnel), for all of them put together.

C. Minimum Remuneration

The remuneration in 'B' above including perquisites but save and except commission, shall, nevertheless, be paid as minimum remuneration for any financial year in case of absence or inadequacy of profits for such year, subject to the condition that such remuneration shall not, without the approval of the Central Government, if required, exceed Rs. 10,50,000 per year or Rs. 87,500 per month computed on the basis of the effective capital of the Company as defined in the Explanation under para 3 of Section II of Part II to Schedule XIII of the Companies Act, 1956 as in force for the time being or as amended in future. PROVIDED that the undermentioned perquisites, namely:

- (a) contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these, singly or put together, are not taxable under the Income-tax Act, 1961.
- (b) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service; and
- (c) encashment of leave, at the end of tenure of service, shall not be included in the computation of the above-mentioned ceiling on remuneration i.e., Rs. 10,50,000 per year or Rs. 87,500 per month; and the remuneration shall stand reduced accordingly.
- (d) Other Terms
 - i) The appointees shall be entitled to sitting fees for attending the meetings of the Board of Directors and/or any Committee thereof.
 - ii) The appointee shall not, while he continues to hold office as Managing Director / Joint Managing Director be liable to retire by rotation as a Director of the Company.
 - iii) The appointee shall not without Board approval engage himself in any other business, occupation or employment of a nature similar to, or competing with, the Company's business
 - iv) The appointee shall not divulge or disclose any confidential information or knowledge obtained by him as to the business or affairs of the Company.