



Report **15th** ANNUAL REPORT 2007-08

**INDO
AMINES
LIMITED**



Passion for growth



Company Profile

Indo amines Limited, incorporated as a public limited company in 1994, is a significant worldwide manufacturer, developer and supplier of Fine Chemicals, Oleo chemicals, Speciality Chemicals, Performance Chemicals, Perfumery Chemicals and Active Pharmaceuticals Ingredients. The products manufactured find applications in various industries like Pharmaceuticals, Agrochemicals, Fertilizers, Petrochemicals, Road Construction, Pesticides, Perfumery Chemicals, Dyes and Intermediates, etc.

The company has three manufacturing sites : The sites are located at Baroda, Dombivli, and Rabale (Thane)

The company operates the unique processes, synthesis and chemical reactions for manufacture of their various products developed in house by their Research and Development. Indo Amines Limited is one of the largest manufacturing Company in South Asia of its kind.

Indo Amines Limited uses process innovations coupled with research and development skills to carve a niche for itself. This is largely driven by the intense competition among the local and international players.

Our Mission

Indo Amines Limited mission is to be best - in - class chemical company committed to excellence in chemical manufacture which provides its customer with strong mix of technical innovations and customer service. To enrich the product lines by providing unique specialty chemicals of high quality to enhance production and give maximum cost benefit to Buyers.

Our Vision

Our vision is to be one of the Leading Indian Chemical Manufacturer representing India to the world.

History

Established in 1979, is Techno Chemical Industries. the major focus of the company was to provide India with import substitutes, providing the support & service of Just in time supplies of chemicals, Focusing on our core chemistries of High Pressure Hydrogenation, Indo Amines Limited diversified into Fine & Speciality Chemicals, a growing opportunity to expand.

15TH

ANNUAL REPORT

2007 - 2008



INDO AMINES LIMITED

REGD. OFFICE : W-38/39, PHASE II,
M.I.D.C., DOMBIVLI (EAST),
DIST. THANE. PIN - 421 204.

**INDO AMINES LIMITED****Annual Report 2007-08****BOARD OF DIRECTORS**

Mrs. BHARATI V. PALKAR	:	CHAIRPERSON (PROMOTER)
Mr. VIJAY B. PALKAR	:	MANAGING DIRECTOR (PROMOTER)
Mr. KIRIT H. SHAH	:	WHOLE TIME DIRECTOR (PROMOTER)
Mr. RAHUL V. PALKAR	:	EXECUTIVE DIRECTOR (PROMOTER)
Mr. N. G. MANE	:	EXECUTIVE DIRECTOR
Mr. MILIND P. PATIL	:	EXECUTIVE DIRECTOR
Mr. R.RAGHAVENDRA RAVI	:	INDEPENDENT NON EXECUTIVE DIRECTOR
Mr. SURESH IYER	:	INDEPENDENT NON EXECUTIVE DIRECTOR
Dr. J. H. SHAH	:	INDEPENDENT NON EXECUTIVE DIRECTOR
Mr. DHAWAL J. VORA	:	INDEPENDENT NON EXECUTIVE DIRECTOR
Mrs. ASHWINI R. PALKAR	:	CHIEF FINANCIAL OFFICER

AUDITORS

Kulkarni and Khanolkar, Chartered Accountants, Mumbai.

CORPORATE GOVERNANCE REPORT

HS Associates, Company Secretaries, Mumbai.

BANKERS

State Bank of India, Dadar Commercial Branch, Mumbai.
 State Bank of India, Alkapuri, Baroda.

REGISTERED OFFICE

W-38/39, MIDC, Phase-II, Dombivli (E), Dist. Thane - 421 204.

REGISTRAR & SHARE TRANSFER AGENTS**BIGSHARE SERVICES PVT. LTD.**

E/2, Ansa Industrial Estate,
 Sakivihar Road, Sakinaka,
 Andheri (E), Mumbai - 400 072.
 Tel. No.: 91-22-28470652 Fax No. : 91-22-28475207 Email : info@bigshareonline.com / www.bigshareonline.com

MANUFACTURING FACILITIES AT

1. W-37/38/39, Phase II, MIDC, Dombivli (E), Dist. Thane - 421 204.
2. Survey No. 1723, Tundav, Taluka Savli, Baroda, Gujarat.
3. W-265/266A, M.I.D.C., T.T.C., Industrial Area, Thane Belapur Road , Navi Mumbai - 400 701.

SHARES LISTED AT:

The Stock Exchanges - Mumbai
 - Ahmedabad
 - Calcutta

Contents	Page No.
Notice	3
Directors' Report	10
Corporate Governance Report	14
Management Discussion and Analysis Report	21
Auditors' Report	24
Balance Sheet	26
Profit & Loss Account	27
Schedules	28
Cash Flow Statement	38
Consolidated Balance Sheet	48
Consolidated Profit & Loss Account	49
Attendance Slip & Proxy Form	51

FOR INDO AMINES LTD.*D. J. Vora***DIRECTOR****15th ANNUAL GENERAL MEETING**

Date : 22nd September, 2008
 Day : Monday
 Time : 11.00 A.M
 Place : C.K.P Hall, Ram Ganesh Gadkari Path,
 Near Karwa Hospital, Dombivli (E),
 Dist.: Thane - 421 201.

INDO AMINES LIMITED**Annual Report 2007-08****NOTICE**

NOTICE IS HEREBY GIVEN THAT THE 15TH ANNUAL GENERAL MEETING OF THE MEMBERS OF INDO AMINES LIMITED WILL BE HELD ON MONDAY 22ND SEPTEMBER, 2008 AT 11.00 A.M AT C.K.P HALL, RAM GANESH GADKARI PATH, NEAR KARWA HOSPITAL, DOMBIVLI (E), DIST. THANE - 421 201 TO TRANSACT THE FOLLOWING BUSINESS.

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited accounts for the year ended 31st March, 2008 along with notes and schedules thereon as on that date and the reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mrs. Bharati Palkar, Director of the company who retires by rotation & being eligible offers herself for re-appointment.
3. To appoint a Director in place of Dr. J. H. Shah, Director of the company who retires by rotation & being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. R. Raghavendra Ravi, Director of the company who retires by rotation & being eligible offers himself for re-appointment.
5. To appoint auditors of the Company to hold office from the conclusion of this Annual General Meeting, until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), (hereinafter referred to as "the said Act") the consent of the Company is hereby accorded to the re-appointment of Mr. Vijay Palkar as a Managing Director of the Company for a period of 5 (Five) years with effect from 1st April, 2008 on the terms and conditions including remuneration as are set out in the agreement to be entered into between the Company and Mr. Vijay Palkar, a draft whereof is placed before this meeting, with liberty to the Board of Directors (hereinafter referred to "the Board" which term shall be deemed to include the Remuneration Committee constituted by the Board) to alter and vary the terms of the said appointment and/or remuneration and/or agreement.

RESOLVED FURTHER THAT in the absence or inadequacy of profits in any financial year, (a) subject to the approval of the Central Government, the remuneration payable to the Managing Director by way of salary and perquisites shall not be reduced and (b) if the approval of the Central Government as stated in (a) is not received, the remuneration payable to the Managing Director shall be the maximum amount permitted as per Schedule XIII, as amended from time to time.

RESOLVED FURTHER THAT Board is also authorised to vary, revise the said remuneration of the Managing Director from time to time within the limits of Schedule XIII, of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board is hereby authorized to take all such steps as may be necessary, proper or expedient, to give effect to this resolution."
7. To consider and if thought fit to pass, with or without modification, the following resolution as an **Ordinary resolution**.

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), (hereinafter referred to as "the said Act") the consent of the Company is hereby accorded to the re-appointment of Mr. Kirit Shah as a Whole Time Director of the Company for a period of 5 (Five) years with effect from 1st April, 2008 on the terms and conditions including remuneration as are set out in the agreement to be entered into between the Company and Mr. Kirit Shah, a draft whereof is placed before this meeting, with liberty to the Board of Directors (hereinafter referred to "the Board" which term shall be deemed to include the Remuneration Committee constituted by the Board) to alter and vary the terms of the said appointment and/or remuneration and/or agreement.

RESOLVED FURTHER THAT in the absence or inadequacy of profits in any financial year, (a) subject to the approval of the Central Government, the remuneration payable to the Whole Time Director by way of salary and perquisites shall not be reduced and (b) if the approval of the Central Government as stated in (a) is not received, the remuneration payable to the Whole Time Director shall be the maximum amount permitted as per Schedule XIII, as amended from time to time.

RESOLVED FURTHER THAT Board is also authorised to vary, revise the said remuneration of the Whole Time Director from time to time within the limits of Schedule XIII, of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board is hereby authorized to take all such steps as may be necessary, proper or expedient, to give effect to this resolution."
8. To consider and if thought fit to pass, with or without modification, the following resolution as an **Ordinary resolution**.

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), (hereinafter referred to as "the said Act") the consent of the Company is hereby accorded to the re-appointment of Mr. Rahul Palkar as an Executive Director of the Company for a period of 5 (Five) years with effect from 1st April, 2008 on the terms and conditions including remuneration as are set out in the agreement to be entered into between the Company and Mr. Rahul Palkar, a draft whereof is placed before this meeting, with liberty to the Board of Directors (hereinafter referred to "the Board" which term shall be deemed to include the Remuneration Committee constituted by the Board) to alter and vary the terms of the said appointment and/or remuneration and/or agreement.



RESOLVED FURTHER THAT in the absence or inadequacy of profits in any financial year, (a) subject to the approval of the Central Government, the remuneration payable to the Executive Director by way of salary and perquisites shall not be reduced and (b) if the approval of the Central Government as stated in (a) is not received, the remuneration payable to the Executive Director shall be the maximum amount permitted as per Schedule XIII, as amended from time to time.

RESOLVED FURTHER THAT Board is also authorised to vary, revise the said remuneration of the Executive Director from time to time within the limits of Schedule XIII, of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board is hereby authorized to take all such steps as may be necessary, proper or expedient, to give effect to this resolution."

9. To consider and if thought fit to pass, with or without modification, the following resolution as an **Special resolution**;

"RESOLVED THAT the Company hereby accords its consent and approval under section 314(1) (b) and other applicable provisions (if any) of the Companies Act, 1956, to Mrs. Ashwini Palkar, a wife of Mr. Rahul Palkar, an Executive Director of the Company, who hold an office of profits under the company, for holding and continuing to hold an office or place of profit as a Chief Financial Officer (CFO) of the company under a contract of service in the scale of Rs. 45,000/- (Rupees Forty Five Thousand Only) together with the usual allowances and benefits, amenities and facilities including staff superannuation fund, retiring gratuity and provident fund benefits applicable to other employees occupying similar or posts within the same salary scale or grade.

"RESOLVED FURTHER THAT this resolution shall be deemed to confer the necessary authority to the Board of Directors to sanction at their discretion and with the approval of the Central Government, where necessary, increments within the grade as they may deem fit and proper to promote her to any higher grade or grades at their discretion and in due course together with the allowances and benefit as may be applicable to the grade or grades as they may deem fit and proper"

BY ORDER OF THE BOARD
INDO AMINES LIMITED

DATE: 30th June, 2008
PLACE: Dombivli, Thane

MRS. BHARATI PALKAR
CHAIRPERSON

Report Junction.com

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. PROXIES, IN ORDER TO BE EFFECTIVE SHOULD BE DEPOSITED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE COMMENCEMENT OF THE MEETING.
3. The Register of Members and Share Transfer Register shall remain closed from Monday the 8th September, 2008 to Friday the 19th September, 2008 (both days inclusive).
4. Explanatory statements under section 173(2) of the Companies Act, 1956 in respect of the Special Business set above is annexed.
5. As measure of economy, copies of the Annual Reports and Accounts will not be distributed at the meeting. Members are therefore, requested to bring their copies at the meeting.
6. Members are requested to produce the attendance slip duly signed, sent along with the Annual Report and Accounts for admission to the meeting hall.
7. Members who are holding shares in identical order or names in more than one folio are requested to write to the Company to enable the Company to consolidate their holdings in one folio.
8. Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, additional information related to Directors recommended for appointment/re-appointment at the Annual General Meeting appears in the Directors' Report and Accounts.
9. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Managing Director at least seven days before the date of the meeting, so that the information required may be made available at the Annual General Meeting.
10. Members holding shares in electronic form are advised that address/bank details as furnished to the Company by the respective Depositories, viz NSDL & CDSL, will be printed on the dividend warrants. Members are requested to inform the concerned Depository participants of any change in address, dividend mandate, etc.
11. Members holding shares in physical form are requested to notify/send the following to the Company's Registrar and Share Transfer Agents to facilitate better service.
 - Any change in their address / mandate / Bank details.
 - Particulars of their Bank accounts in case the same have not been sent earlier and
 - Share certificate (s) held in multiple accounts in identical names and/or joint accounts in the same order of names for consolidation of such shareholdings into one account.

INDO AMINES LIMITED**Annual Report 2007-08****EXPLANATORY STATEMENT****As required by section 173(2) of the Companies Act, 1956****ITEM NO. 6:**

As recommended by the Remuneration Committee and approved by the Board of Directors of the Company, at its meeting held on 29th March, 2008 Mr. Vijay Palkar was re-appointed as a Managing Director of the Company for a period of 5 (Five) years with effect from 1st April, 2008 the remuneration to Mr. Vijay Palkar inter alia, includes the payment of salary, perquisites and benefits and is subject to the approval of the members.

1.	Name of the Director	Mr. Vijay Palkar
2.	Age	58
3.	Qualification	B.Sc., B.Tech
4.	Experience	35 years
5.	Number of directorship in other Public companies	1
6.	Shareholding	5,69,482 No. of Equity Shares

Mr. Vijay Palkar will serve as a Managing Director on the Board of the Company from 1st April, 2008.

The terms & conditions proposed to be entered into by the Company with Mr. Vijay Palkar, in respect of his re-appointment, inter alia, contains the following terms and conditions:

MAJOR TERMS OF REMUNERATION OF MR. VIJAY PALKAR, MANAGING DIRECTOR:**I) TERMS & CONDITIONS:**

1. Name & Designation of Director. : Mr. Vijay Palkar - Managing Director
2. Date of Appointment : Re-appointment w.e.f. 1st April, 2008.
3. Period : 5 (Five) years.
4. Salary (p.m) : Rs.78,650/-p.m. with power to Board to vary from time to time within the limits of schedule XIII of the Companies Act.
5. Minimum Remuneration : In the absence or inadequacy of profits in any financial year, (a) subject to the approval of the Central Government, the remuneration payable to Mr. Vijay Palkar by way of salary and perquisites shall not be reduced and (b) if the approval of the Central Government as stated in (a) is not received, the remuneration payable to the Mr. Vijay Palkar shall be the maximum amount permitted as per Schedule XIII, as amended from time to time.

II) PERQUISITES:

Mr. Vijay Palkar as a Managing Director will be entitled for following perquisites, which shall not be part of the ceiling of remuneration.

- a) Contribution to provident Fund, Superannuation fund or annuity fund to the extent such contribution either singly or put together are not taxable under the Income Tax Act, 1961.
- b) **Gratuity** : as per the rules of the Company, payable in accordance with the Approved Gratuity Fund and which shall not exceed half a month's salary for each completed year of service.
- c) **Children's education allowance:** In case of children studying in or outside India, an allowance limited to a maximum of Rs. 5,000/- per month per child or actual expenses incurred, whichever is less such allowance is admissible upto a maximum of two children.
- d) **Holiday passage for children studying outside India/family staying abroad:** Return holiday passage once in a year by economy class or once in two years by first class to children and to the members of the family from the place of their study or stay abroad India if they are not residing in India with the managerial person.
- e) **Leave travel concession:** Return passage for self and family in accordance with the rules specified by the Company where it is proposed that the leave be spent in home country instead of anywhere in India.

FOR INDO AMINES LTD.

D. J. Vora
DIRECTOR



- III) Salary and perquisites specified herein shall be payable to the Managing Director notwithstanding the inadequacy or no profits in any financial year during the currency of tenure of his office as such.
- IV) The Managing Director shall not be paid any sitting fee for attending the meetings of the Board of Directors or committee thereof.
- V) The Managing Director shall not become interested or otherwise concerned directly or through his wife or minor children in any selling agency of the Company as per the provisions of the Law in force as applicable to the Company.
- VI) The terms and conditions of the said appointment and/or may be altered and varied from time to time by the board as it may, in its discretion, deem fit so as not to exceed the limits specified in Schedule XIII the Companies Act, 1956, or any amendment hereafter in that regard.

None of the Directors of the Company, except Mr. Rahul Palkar and Mrs. Bharati Palkar and Mr. Vijay Palkar himself are considered to be interested or concerned in this resolution.

These terms & conditions of appointment may be treated as abstracts between the Company & Mr. Vijay Palkar, Managing Director pursuant to section 302 of the Companies Act, 1956.

The Copy of the Draft agreement is open for inspection during office hours 10.00 a.m. to 12 noon till the date of Annual General Meeting.

ITEM NO. 7 :

As recommended by the Remuneration Committee and approved by the Board of Directors of the Company, at its meeting held on 29th March, 2008 Mr. Kirit Shah was re-appointed as a Whole Time Director of the Company for a period of 5 (Five) years with effect from 1st April, 2008 the remuneration to Mr. Kirit Shah inter alia, includes the payment of salary, perquisites and benefits and is subject to the approval of the members.

1.	Name of the director	Mr. Kirit Shah
2.	Age	60 years
3.	Qualification	B.Com
4.	Experience	37 years
5.	Number of directorship in other companies	NIL
6.	Shareholding	73,647 No. of Equity Shares

Mr. Kirit Shah will serve as Whole Time Director on the Board of the Company from 1st April, 2008.

The terms & conditions proposed to be entered into by the Company with Mr. Kirit Shah, in respect of his re-appointment, inter alia, contains the following terms and conditions:

MAJOR TERMS OF REMUNERATION OF MR. KIRIT SHAH, WHOLE TIME DIRECTOR:

I) TERMS & CONDITIONS:

1. Name & Designation of Director. : Mr. Kirit Shah - Whole Time Director
2. Date of Appointment : Re-appointment w.e.f. 1st April, 2008.
3. Period : 5 (Five) years.
4. Salary (p.m) : Rs. 72,600/-p.m. with power to Board to vary from time to time within the limits of schedule XIII of the Companies Act.
5. Minimum Remuneration : In the absence or inadequacy of profits in any financial year, (a) subject to the approval of the Central Government, the remuneration payable to Mr. Kirit Shah by way of salary and perquisites shall not be reduced and (b) if the approval of the Central Government as stated in (a) is not received, the remuneration payable to the Mr. Kirit Shah shall be the maximum amount permitted as per Schedule XIII, as amended from time to time.

II) PERQUISITES:

Mr. Kirit Shah as a Whole Time Director will be entitled for following perquisites, which shall not be part of the ceiling of remuneration.

- a) Contribution to provident Fund, Superannuation fund or annuity fund to the extent such contribution either singly or put together are not taxable under the Income Tax Act, 1961.
- b) **Gratuity:** as per the rules of the Company, payable in accordance with the Approved Gratuity Fund and which shall not exceed half a month's salary for each completed year of service.

INDO AMINES LIMITED**Annual Report 2007-08**

- c) **Children's education allowance:** In case of children studying in or outside India, an allowance limited to a maximum of Rs. 5,000/- per month per child or actual expenses incurred, whichever is less such allowance is admissible upto a maximum of two children.
- d) **Holiday passage for children studying outside India/family staying abroad:** Return holiday passage once in a year by economy class or once in two years by first class to children and to the members of the family from the place of their study or stay abroad India if they are not residing in India with the managerial person.
- e) **Leave travel concession:** Return passage for self and family in accordance with the rules specified by the Company where it is proposed that the leave be spent in home country instead of anywhere in India.
- III) Salary and perquisites specified herein shall be payable to the Whole Time Director notwithstanding the inadequacy or no profits in any financial year during the currency of tenure of his office as such.
- IV) The Whole Time Director shall not be paid any sitting fee for attending the meetings of the Board of Directors or committee thereof.
- V) The Whole Time Director shall not become interested or otherwise concerned directly or through his wife or minor children in any selling agency of the Company as per the provisions of the Law in force as applicable to the Company.
- VI) The terms and conditions of the said appointment and/or may be altered and varied from time to time by the board as it may, in its discretion, deem fit so as not to exceed the limits specified in Schedule XIII the Companies Act, 1956, or any amendment hereafter in that regard.

None of the Directors of the Company, except Mr. Kirit Shah is considered to be interested or concerned in this resolution.

These terms & conditions of appointment may be treated as abstracts between the Company & Mr. Kirit Shah, Whole Time Director pursuant to section 302 of the Companies Act, 1956.

The Copy of the Draft agreement is open for inspection during office hours 10.00 a.m. to 12 noon till the date of Annual General Meeting.

ITEM NO. 8:

As recommended by the Remuneration Committee and approved by the Board of Directors of the Company, at its meeting held on 29th March, 2008 Mr. Rahul Palkar was re-appointed as a Executive Director of the Company for a period of 5 (Five) years with effect from 1st April, 2008 the remuneration to Mr. Rahul Palkar inter alia, includes the payment of salary, perquisites and benefits and is subject to the approval of the members.

1.	Name of the Director	Mr. Rahul Palkar
2.	Age	29 years
3.	Qualification	B.Sc., M.Sc.
4.	Experience	6 Years.
5.	Number of directorship in other companies	1
6.	Shareholding	1,09,409 No. of Equity Shares

Mr. Rahul Palkar will serve as an Executive Director on the Board of the Company from 1st April, 2008.

The terms & conditions proposed to be entered into by the Company with Mr. Rahul Palkar, in respect of his re-appointment, inter alia, contains the following terms and conditions:

MAJOR TERMS OF REMUNERATION OF MR. RAHUL PALKAR, EXECUTIVE DIRECTOR:**I) TERMS & CONDITIONS:**

- | | | |
|------------------------------------|---|---|
| 1. Name & Designation of Director. | : | Mr. Rahul Palkar - Executive Director |
| 2. Date of Appointment | : | Re-appointment w.e.f. 1st April, 2008. |
| 3. Period | : | 5 (Five) years. |
| 4. Salary (p.m) | : | Rs. 60,500/-p.m. with power to Board to vary from time to time within the limits of schedule XIII of the Companies Act. |
| 5. Minimum Remuneration | : | In the absence or inadequacy of profits in any financial year, (a) subject to the approval of the Central Government, the remuneration payable to Mr. Rahul Palkar by way of salary and perquisites shall not be reduced and (b) if the approval of the Central Government as stated in (a) is not received, the remuneration payable to the Mr. Rahul Palkar shall be the maximum amount permitted as per Schedule XIII, as amended from time to time. |

**II) PERQUISITES:**

Mr. Rahul Palkar as a Executive Director will be entitled for following perquisites, which shall not be part of the ceiling of remuneration.

- a) Contribution to provident Fund, Superannuation fund or annuity fund to the extent such contribution either singly or put together are not taxable under the Income Tax Act, 1961.
 - b) **Gratuity:** as per the rules of the Company, payable in accordance with the Approved Gratuity Fund and which shall not exceed half a month's salary for each completed year of service.
 - c) **Children's education allowance:** In case of children studying in or outside India, an allowance limited to a maximum of Rs. 5,000/- per month per child or actual expenses incurred, whichever is less such allowance is admissible upto a maximum of two children.
 - d) **Holiday passage for children studying outside India/family staying abroad:** Return holiday passage once in a year by economy class or once in two years by first class to children and to the members of the family from the place of their study or stay abroad India if they are not residing in India with the managerial person.
 - e) **Leave travel concession:** Return passage for self and family in accordance with the rules specified by the Company where it is proposed that the leave be spent in home country instead of anywhere in India.
- III) Salary and perquisites specified herein shall be payable to the Executive Director notwithstanding the inadequacy or no profits in any financial year during the currency of tenure of his office as such.
- IV) The Executive Director shall not be paid any sitting fee for attending the meetings of the Board of Directors or committee thereof.
- V) The Executive Director shall not become interested or otherwise concerned directly or through his wife or minor children in any selling agency of the Company as per the provisions of the Law in force as applicable to the Company.
- VI) The terms and conditions of the said appointment and/or may be altered and varied from time to time by the board as it may, in its discretion, deem fit so as not to exceed the limits specified in Schedule XIII the Companies Act, 1956, or any amendment hereafter in that regard.

None of the Directors of the Company, except Mr. Vijay Palkar and Mrs. Bharati Palkar and Mr. Rahul Palkar himself are considered to be interested or concerned in this resolution.

These Terms & Conditions of appointment may be treated as abstracts between the Company & Mr. Rahul Palkar, Executive Director pursuant to section 302 of the Companies Act, 1956.

The Copy of the Draft agreement is open for inspection during office hours 10.00 a.m. to 12 noon till the date of Annual General Meeting.

ITEM NO. 9 :

Mr. Ashwini Palkar, was appointed as Chief Financial Officer (C.F.O) of the Company w.e.f. 3rd October, 2006 in the Board meeting held on 30th October, 2006 on a remuneration of Rs.15,000/-.

Being a Chief Financial Officer (CFO) and considering the pivotal role played by her in the finance and accounts functions the Board purpose to review her remuneration to Rs. 45,000/- w.e.f. 1st April, 2008. Mrs. Ashwini Palkar is B.Com.