

THIRUTHANAL REPORT

MD	✓		BKC	✓
CS	✓		DPY	NA
RO	✓		DIV	NA
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		



1997-98

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JAYSYNTH DYESTUFF (INDIA) LTD.

JAYSYNTH DYESTUFF (INDIA) LIMITED**BOARD OF DIRECTORS**

MR. SHARADCHANDRA S. KOTHARI	– <i>Chairman</i>
MR. RAJESH K. KOTHARI	– <i>Wholetime Director</i>
MR. MAGANLAL J. THACKER	
MR. JYOTIKUMAR S. MAHESHWARI	
MR. MAHENDRA K. KOTHARI	– <i>Jt. Managing Director</i>
MR. PARAG S. KOTHARI	– <i>Jt. Managing Director</i>
MR. NIKHIL S. KOTHARI	

PLANT :

PLOT NO. 2,
GIDC INDUSTRIAL AREA,
VAPI, DIST. VALSAD,
GUJARAT.

REGISTERED OFFICE :

E-16, "EVEREST"
Tardeo Road,
MUMBAI-400 034.

COMPANY SECRETARY :

MR. SURESH VARADARAJAN

**ADMINISTRATIVE OFFICE &
SHARE DEPARTMENT :**

301, Sumer Kendra,
Pandurang Budhkar Marg,
Worli, Mumbai-400 018.

AUDITORS :

C. J. Shah & Associates
Chartered Accountants
66/70, Bora Bazar Street,
Shri Maharaj Building,
Fort, Mumbai-400 001.

PRINCIPAL BANKERS :

BANK OF INDIA
BANK OF BARODA
STATE BANK OF INDIA

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JAYSYNTH DYESTUFF (INDIA) LIMITED**NOTICE**

NOTICE is hereby given that the Thirteenth Annual General Meeting of the shareholders of the Company will be held at its Administrative Office at 301, Sumer Kendra, Pandurang Budhkar Marg, Worli, Mumbai-400 018 on Tuesday the 29th day of September, 1998 at 9.30 a.m. to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 1998 and the Profit and Loss Account of the Company for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri M.J. Thacker who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:-

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

"RESOLVED THAT Shri Nikhil S. Kothari be and is hereby appointed a Director of the Company liable to retire by rotation."

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

"RESOLVED THAT the Company hereby accords its approval and consent under Sections 198, 269, 309, 310 and 311 and other applicable provisions, if any, of the Companies Act, 1956, to the re-appointment of Shri M.K. Kothari as Joint Managing Director of the Company and to his receiving remuneration, benefits and amenities as Joint Managing Director of the Company for a period of one year with effect from 1st August, 1998 to 31st July, 1999 upon the terms, conditions and stipulations contained in an Agreement to be entered into between the Company and Shri M.K. Kothari, a draft whereof is placed before the meeting and for the purpose of identification, is initialled by the Chairman hereof, which Agreement is hereby specifically sanctioned with liberty to the Board of Directors, to alter and vary the terms and conditions of the said re-appointment and/or remuneration and/or Agreement as may be agreed to between the Board of Directors and Shri M.K. Kothari provided that the remuneration payable to Shri M.K. Kothari shall not exceed the maximum limits for payment of managerial remuneration specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto as may be made from time to time or the Companies Act as may be recodified."

"RESOLVED FURTHER THAT wherein in the financial year during the tenure of Shri M.K. Kothari, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to Shri M.K. Kothari by way of salary, dearness allowances, perquisites and any other allowances, such amount not exceeding the ceiling limits of Rs.1,050,000/- per annum or Rs.87,500/- per month in terms of Part II of Schedule XIII to the Companies Act, 1956 or within such ceiling limits as may be prescribed under Schedule XIII from time to time, or the Companies Act as may be recodified. The following perquisites however shall not be included in the computation of the ceiling on remuneration:

- (a) contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax, 1961.
- (b) gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
- (c) encashment of leave at the end of the tenure."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all necessary or desirable steps and to do all such acts, deeds, matters and things as may be considered necessary, desirable, expendent

for the purpose of effectuating the re-appointment of Shri M.K. Kothari as the Joint Managing Director and matters incidental thereto."

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

"RESOLVED THAT the Company hereby accords its approval and consent under Sections 198, 269, 309, 310 and 311 and other applicable provisions, if any, of the Companies Act, 1956, to the re-appointment of Shri P.S. Kothari as Joint Managing Director of the Company and to his receiving remuneration, benefits and amenities as Joint Managing Director of the Company for a period of one year with effect from 1st August, 1998 to 31st July, 1999 upon the terms, conditions and stipulations contained in an Agreement to be entered into between the Company and Shri P.S. Kothari, a draft whereof is placed before the meeting and for the purpose of identification, is initialled by the Chairman hereof, which Agreement is hereby specifically sanctioned with liberty to the Board of Directors, to alter and vary the terms and conditions of the said re-appointment and/or remuneration and/or Agreement as may be agreed to between the Board of Directors and Shri P.S. Kothari provided that the remuneration payable to Shri P.S. Kothari shall not exceed the maximum limits for payment of managerial remuneration specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto as may be made from time to time or the Companies Act as may be recodified."

"RESOLVED FURTHER THAT wherein the financial year during the tenure of Shri P.S. Kothari, the Company has not profits or its profits are inadequate, the Company shall pay remuneration to Shri P.S. Kothari by way of salary, dearness allowances, perquisites and any other allowances, such amount not exceeding the ceiling limits of Rs.1,050,000/- per annum or Rs.87,500/- per month in terms of Part II of Schedule XIII to the Companies Act, 1956 or within such ceiling limits as may be prescribed under Schedule XIII from time to time, or the Companies Act as may be recodified. The following perquisites however shall not be included in the computation of the ceiling on remuneration:

- (a) contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax, 1961.
- (b) gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
- (c) encashment of leave at the end of the tenure."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all necessary or desirable steps and to do all such acts, deeds, matters and things as may be considered necessary, desirable, expedient for the purpose of effectuating the re-appointment of Shri P.S. Kothari as the Joint Managing Director and matters incidental thereto."

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

"RESOLVED THAT the Company hereby accords its approval and consent under Sections 198, 269, 309 and 310 and other applicable provisions, if any, of the Companies Act, 1956, to the re-appointment of Shri R.K. Kothari as a Whole-time Director of the Company and to his receiving remuneration, benefits and amenities as a Whole-time Director of the Company for a period of one year with effect from 1st August, 1998 to 31st July, 1999 upon the terms, conditions and stipulations contained in an Agreement to be entered into between the Company and Shri R.K. Kothari, a draft whereof is placed before the meeting and for the purpose of identification, is initialled by the Chairman hereof, which Agreement is hereby specifically sanctioned with liberty to the Board of Directors, to alter and vary the terms and conditions of the said re-appointment and/or remuneration and/or Agreement as may be agreed to between the Board of Directors and Shri R.K. Kothari provided that the remuneration payable to Shri R.K. Kothari shall not exceed the maximum limits for payment of managerial remuneration specified in Schedule XII to the Companies Act, 1956 or any amendments thereto as may be made from time to time or the Companies Act as may be recodified."

"RESOLVED FURTHER THAT wherein in the financial year during the tenure of Shri R.K. Kothari, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to Shri R.K. Kothari by way of salary, dearness allowances, perquisites and any other allowances, such amount not exceeding the ceiling limits

of Rs.1,050,000/- per annum or Rs.87,500/- per month, in terms of Part II of Schedule XIII to the Companies Act, 1956 or within such ceiling limits as may be prescribed under Schedule XIII from time to time, or the Companies Act as may be recodified. The following perquisites however shall not be included in the computation of the ceiling on remuneration:

- (a) contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax, 1961,
- (b) gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
- (c) encashment of leave at the end of the tenure."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all necessary or desirable steps and to do all such acts, deeds, matters and things as may be considered necessary, desirable, expedient for the purpose of effectuating the re-appointment of Shri R.K. Kothari as the Whole-time Director and matters incidental thereto."

REGISTERED OFFICE

E-16, "Everest",
Tardeo Road,
Mumbai-400 034.
MUMBAI:
DATE: 30th June, 1998

BY THE ORDER OF THE BOARD

SURESH VARADARAJAN
COMPANY SECRETARY

NOTES:-

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of the Special Business of the above Notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from **Friday, the 25th September, 1998 to Tuesday, the 29th September, 1998** both days inclusive.
4. Members desirous of getting any information about the accounts and operations of the Company are requested to send their queries atleast seven days in advance of the meeting at the Company's Administrative Office at the address given below, so that the information required can be made readily available at the meeting.
5. Following unclaimed Dividend will be transferred to the General Revenue Account of Central Government as detailed under:-

Financial Year ended.	Date of Dividend Warrant	Due date of Transfer with the Central Government
31st March 1995	04/10/1995	04/11/1998
31st March 1996	05/11/1996	01/12/1999

In case, members have not encashed any of the above dividend they are requested to encash the same before the due date of transfer to the Central Government after revalidation by the Company. Individual Notices have been sent to members reminding them for revalidation/encashing the dividend warrant.

6. Members are requested to intimate change in their address immediately to the Company at its Administrative Office at the address given below.
7. Members holding Shares in the same set of names under different ledger folios are requested to apply for consolidation of such folios alongwith relevant Share Certificates to the Company's Administrative Office at the address mentioned below.
8. Members are requested to bring their copies of Balance Sheet at the Annual General Meeting.

9. The members/proxies should bring the attendance slip duly filled in and signed for attending the meeting.
10. Members are requested to quote Ledger Folio Number in all their correspondence.

ADMINISTRATIVE OFFICE: 301, SUMER KENDRA, Pandurang Budhkar Marg, Worli, Mumbai - 400 018.

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

ITEM NO. 4

The Board of Directors has appointed Shri Nikhil S. Kothari as an Additional Director with effect from 7th November, 1997 and holds office as Director upto the ensuing Annual General Meeting in accordance with the Articles of Association of the Company and Section 260 of the Companies Act, 1956. Shri Nikhil S. Kothari is a B.E. (Electronics) and has considerable experience in the areas of marketing and organisational management. The Company has received notice from a member signifying his intention to propose Shri Nikhil S. Kothari as candidate for the office of Director. The Board recommends his appointment as Director.

Shri Nikhil S. Kothari is concerned or interested in the Resolution. Shri S.S. Kothari and Shri P.S. Kothari as relatives of Shri Nikhil S. Kothari may also be considered concerned or interested in the Resolution. None of the other Directors are concerned or interested in the Resolution.

ITEM NO. 5

As the members of the Company are aware Shri M.K. Kothari is on the Board of Directors of the Company since 04/05/1992. Shri M.K. Kothari was appointed at the Twelfth Annual General Meeting of the Company held on 29th September, 1997, as Joint Managing Director for a period of one year w.e.f. 1st August, 1997. Shri M.K. Kothari's term of office as Joint Managing Director shall expire on 31st July 1998 and at the meeting of the Board of Directors held on 30th June, 1998, Shri M.K. Kothari was re-appointed as Joint Managing Director of the Company for a period of One year w.e.f. 1st August, 1998 on terms and remuneration, as detailed in para "A" below. Shri M.K. Kothari is having more than 25 years of wide and varied experience in the areas of projects, production and business management. He is well conversant with trade and industries.

A. The terms of re-appointment and remuneration of Shri M.K. Kothari as Joint Managing Director contains following terms and conditions:-

- 1) **Salary:**
Rs.18,500/- (Rupees Eighteen Thousand and Five Hundred Only) per month. Besides salary, Shri M.K. Kothari shall also be entitled to Bonus/Exgratia payment as may be paid to other employees of the Company.
- 2) **Perquisites and Allowances:**
Shri M.K. Kothari shall be entitled to perquisites and allowances like accommodation (furnished or otherwise) or House Rent Allowance in lieu thereof, House Maintenance Allowance together with reimbursement of expenses/allowances for utilisation of gas, electricity, water furnishing and repairs, medical reimbursement, leave travel concession for self and his family including dependents, club fees, premium for medical insurance and personal accident insurance and all other benefits perquisites and amenities in accordance with the rules of the Company and as agreed by the Board of Directors upto Rs.750,000/- (Rupees Seven Hundred Fifty Thousand Only) per annum presently subject to overall ceiling on remuneration prescribed u/s. 198 & 309 and any other applicable provisions, if any, of the Companies Act, 1956.
- 3) **Provident Fund and Superannuation Fund etc.:**
Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service. Encashment of leave at the end of tenure will be permitted in accordance with rules of the Company. The Company shall provide car with driver and also telephone facility for use at the residence of Shri M.K. Kothari but, long distance telephone calls for personal use will be charged by the Company. The afore mentioned perquisites will not be included in the computation of the ceiling on remuneration. For the purpose of computing the ceiling on perquisites, the same will be valued as per Income-Tax Rules, 1962 wherever applicable.

4) **Minimum Remuneration:**

Notwithstanding the remuneration payable to Shri M.K. Kothari as detailed above in para (1), (2) & (3) above, wherein in the financial year during the tenure of Office of Shri M.K. Kothari, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to Shri M.K. Kothari by way of salary, allowances, perquisites and any other allowances such amount not exceeding Rs.1,050,000/- per annum or Rs.87,500/- per month in terms of Part II of Schedule XIII to the Companies Act, 1956 or within such ceiling limits as may be prescribed under Schedule XIII from time to time or the Companies Act as may be recodified. The following perquisites however shall not be included in the computation of the ceiling on remuneration:-

- (a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961.
- (b) Gratuity payable at a rate not exceeding half a month's Salary for each completed year of service and,
- (c) Encashment of leave at the end of tenure.

The draft Agreement between the Company and Shri M.K. Kothari inter alia also contain the following terms and conditions:-

- (a) Shri M.K. Kothari shall conduct the day-to-day management of the Company subject to the supervision and control of the Board of Directors. Shri M.K. Kothari shall not be liable to retire by rotation.
- (b) If at any time Shri M.K. Kothari cease to be Director of the Company for any reason whatsoever, he shall ceased to be Joint Managing Director.
- (c) Shri M.K. Kothari shall not be entitled to supplement his earnings with any buying or selling commission. He shall not come interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government.
- (d) The Agreement may be terminated by either party giving the other party three months' notice.
- (e) The draft Agreement also sets out the mutual rights and obligations of the Company and of Shri M.K. Kothari. In compliance with the provisions of the Companies Act, 1956, the terms of remuneration specified above are now being placed before the members in Annual General Meeting for their approval. The Board commends the Resolution for acceptance by the members.

The draft of the Agreement to be entered into by the Company with Shri M.K. Kothari is available for inspection by the members of the Company at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day of the Company.

Shri M.K. Kothari, may be deemed to be concerned or interested in the resolution. Shri R.K. Kothari as a relative of Shri M.K. Kothari may also be regarded as concerned or interested in the Resolution. None of the other Directors are concerned or interested in the Resolution.

The above may be treated as an extract of the terms of re-appointment between the Company and Shri M.K. Kothari pursuant to Section 302 of the Companies Act, 1956.

ITEM NO. 6

As the members of the Company are aware Shri P.S. Kothari is on the Board of Directors of the Company since 04/05/1992. Shri P.S. Kothari was appointed at the Twelfth Annual General Meeting of the Company held on 29th September, 1997 as Joint Managing Director for a period of one year w.e.f. 1st August, 1997. Shri P.S. Kothari's term of office as Joint Managing Director shall expire on 31st July 1998 and at the meeting of the Board of Directors held on 30th June, 1998, Shri P.S. Kothari was re-appointed as Joint Managing Director of the Company for a period of One year w.e.f. 1st August, 1998 on remuneration, as detailed in para "A" below. Shri P.S. Kothari is a Computer Engineer and also a Diploma holder in Business Management from the University of Pennsylvania, U.S.A.

- A.** The terms of re-appointment and remuneration of Shri P.S. Kothari as Joint Managing Director contains following terms and conditions:-

- 1) **Salary:**
Rs.18,500/- (Rupees Eighteen thousand and Five hundred Only) per month. Besides salary, Shri P.S. Kothari shall also be entitled to Bonus/Exgratia payment as may be paid to other employees of the Company.
- 2) **Perquisites and Allowances:**
Shri P.S. Kothari shall be entitled to perquisites and allowances like accommodation (furnished or otherwise) or House Rent Allowance in lieu thereof, House Maintenance Allowance together with reimbursement of expenses/allowances for utilisation of gas, electricity, water furnishing and repairs, medical reimbursement, leave travel concession for self and his family including dependents, club fees, premium for medical insurance and personal accident insurance and all other benefits perquisites and amenities in accordance with the rules of the Company and as agreed by the Board of Directors upto Rs.750,000/- (Rupees Seven Hundred Fifty Thousand Only) per annum presently subject to overall ceiling on remuneration prescribed u/s. 198 & 309 and any other applicable provisions, if any, of the Companies Act, 1956.
- 3) **Provident Fund and Superannuation Fund etc.:**
Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service. Encashment of leave at the end of tenure will be permitted in accordance with the rules of the Company. The aforementioned perquisites will not be included in the computation of the ceiling on remuneration. For the purpose of computing the ceiling on perquisites, the same will be valued as per Income-Tax Rules, 1962 wherever applicable.
- 4) **Minimum Remuneration:**
Notwithstanding the remuneration payable to Shri P.S. Kothari as detailed above in para (1), (2) & (3) above, wherein in the financial year during the tenure of Office of Shri P.S. Kothari, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to Shri P.S. Kothari by way of Salary, allowances, perquisites and any other allowance such amount not exceeding Rs.1,050,000/- per annum or Rs.87,500/- per month in terms of Part II of Schedule XIII to the Companies Act, 1956 or within such ceiling limits as may be prescribed under Schedule XIII from time to time of the Companies Act, 1956 including any amendment thereto or the Companies Act as may be recodified. The following perquisites however shall not be included in the computation of the ceiling on remuneration:-
 - (a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961.
 - (b) Gratuity payable at a rate not exceeding half a month's Salary for each completed year of service and,
 - (c) Encashment of leave at the end of tenure.

The draft Agreement between the Company and Shri P.S. Kothari inter alia also contain the following terms and conditions:-

- (a) Shri P.S. Kothari shall conduct the day-to-day management of the Company subject to the supervision and control of the Board of Directors. Shri P.S. Kothari shall not be liable to retire by rotation.
- (b) If at any time Shri P.S. Kothari cease to be Director of the Company for any reason whatsoever, he shall ceased to be Joint Managing Director.
- (c) Shri P.S. Kothari shall not be entitled to supplement his earnings with any buying or selling commission. He shall not become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government.
- (d) The Agreement may be terminated by either party giving the other party three month's notice.
- (e) The draft Agreement also set out the mutual rights and obligations of the Company and of Shri P.S. Kothari. In compliance with the provisions of the Companies Act, 1956, the terms of remuneration specified above are now being placed before the members in Annual General Meeting for their approval. The Board commends the Resolution for acceptance by the members.

The draft of the Agreement to be entered into by the Company with Shri P.S. Kothari is available for inspection by the members of the Company at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any

working day of the Company.

Shri P.S. Kothari, may be deemed to be concerned or interested in the resolution. Shri S.S. Kothari and Shri Nikhil S. Kothari as a relatives of Shri P.S. Kothari may also be regarded as concerned or interested in the Resolution. None of the other Directors are concerned or interested in the Resolution.

The above may be treated as an extract of the terms of re-appointment between the Company and Shri P.S. Kothari pursuant to Section 302 of the Companies Act, 1956.

ITEM NO. 7

As the members of the Company are aware Shri R.K. Kothari is on the Board of Directors of the Company since it's inception. Shri R.K. Kothari was appointed at the Twelfth Annual General Meeting of the Company held on 29th September, 1997 as a Whole-time Director for a period of one year w.e.f. 1st August, 1997. Shri R.K. Kothari's term of office as a Whole-time Director shall expire on 31st July 1998 and at the meeting of the Board of Directors held on 30th June, 1998, Shri R.K. Kothari was re-appointed as a Whole-time Director of the Company for a period of One year w.e.f. 1st August, 1998 on remuneration, as detailed in para "A" below. Shri R.K. Kothari is having more than 20 years of wide and varied experience in the areas of marketing and organisational management. He is well conversant with trade and industry. Your Directors consider that by his re-appointment as a Whole-time Director, your Company will derive benefit of his experience of marketing of dyes.

- A. The terms of re-appointment and remuneration of Shri R.K. Kothari as a Whole-time Director contains following terms and conditions:-

1) **Salary:**

Rs.18,500/- (Rupees Eighteen Thousand and Five Hundred Only) per month. Besides salary, Shri R.K. Kothari shall also be entitled to Bonus/Exgratia payment as may be paid to other employees of the Company.

2) **Perquisites and Allowances:**

Shri R.K. Kothari shall be entitled to perquisites and allowances like accommodation (furnished or otherwise) or House Rent Allowance in lieu thereof, House Maintenance Allowance together with reimbursement of expenses/allowances for utilisation of gas, electricity, water, furnishing and repairs, medical reimbursement, leave travel concession for self and his family including dependents, club fees, premium for medical insurance and personal accident insurance and all other benefits perquisites and amenities in accordance with the rules of the Company and as agreed by the Board of Directors upto Rs.750,000/- (Rupees Seven Hundred Fifty Thousand Only) per annum presently subject to overall ceiling on remuneration prescribed u/s. 198 & 309 and any other applicable provisions, if any, of the Companies Act, 1956.

3) **Provident Fund and Superannuation Fund etc.:**

Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service. Encashment of leave at the end of tenure will be permitted in accordance with rules of the Company. The Company shall provide car with driver and also telephone facility for use at the residence of Shri R.K. Kothari but, long distance telephone calls for personal use will be charged by the Company. The aforementioned perquisites will not be included in the computation of the ceiling on remuneration. For the purpose of computing the ceiling on perquisites, the same will be valued as per Income-Tax Rules, 1962 wherever applicable.

4) **Minimum Remuneration:**

Notwithstanding the remuneration payable to Shri R.K. Kothari as detailed above in para (1), (2) & (3) above, wherein in the financial year during the tenure of Office of Shri R.K. Kothari, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to Shri R.K. Kothari by way of salary, allowances, perquisites and any other allowances such amount not exceeding Rs.1,050,000/- per annum or Rs.87,500/- per month in terms of Part II of Schedule XIII to the Companies Act, 1956 or within such ceiling limits as may be prescribed under Schedule XIII from time to time or the Companies Act as may be recodified. The following perquisites however shall not be included in the computation of the ceiling on remuneration:-

- (a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961.

- (b) Gratuity payable at a rate not exceeding half a month's Salary for each completed year of service and,
- (c) Encashment of leave at the end of tenure.

The draft Agreement between the Company and Shri R.K. Kothari inter alia also contain the following terms and conditions:-

- (a) Shri R.K. Kothari shall be mainly responsible for sales and administration and conduct the day-to-day management of the Company subject to the supervision and control of the Board of Directors. Shri R.K. Kothari shall be liable to retire by rotation.
- (c) Shri R.K. Kothari shall not be entitled to supplement his earnings with any buying or selling commission. He shall not become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government.
- (d) The Agreement may be terminated by either party giving the other party three months' notice.
- (e) The draft Agreement also set out the mutual rights and obligations of the Company and of Shri R.K. Kothari. In compliance with the provisions of the Companies Act, 1956, the terms of remuneration specified above are not being placed before the members in Annual General Meeting for their approval. The Board commends the Resolution for acceptance by the members.

The draft of the Agreement to be entered into by the Company with Shri R.K. Kothari is available for inspection by the members of the Company at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day of the Company.

Shri R.K. Kothari, may be deemed to be concerned or interested in the resolution. Shri M.K. Kothari as a relative of Shri R.K. Kothari may also be regarded as concerned or interested in the Resolution. None of the other Directors are concerned or interested in the Resolution.

This may be treated as an extract of the terms of re-appointment between the Company and Shri R.K. Kothari pursuant to Section 302 of the Companies Act, 1956.

REGISTERED OFFICE

E-16, "Everest",
Tardeo Road,
Mumbai-400 034.
MUMBAI:

DATE: 30th June, 1998

BY THE ORDER OF THE BOARD

SURESH VARADARAJAN
COMPANY SECRETARY