

23rd Annual Report And Accounts 1998-99



khaitan electricals limited
(Formerly Khaitan Tibrewala Electricals Limited)



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BOARD OF DIRECTORS

S. K. Khaitan – Chairman
Sunil K. Khaitan – Vice Chairman
Jyoti P. Tibrewala
O. Swaminatha Reddy
P. R. Neelakantan
M. G. Todi
A. K. Kajaria
Sajjan Dabriwal – Dy. Managing Director
R. A. Lohariwala – Executive Director
P. S. Prabhakar – Executive Director
G. R. Choudhary – Finance Director & Secretary

AUDITORS

M/s. V. S. Rao & Co.,
Chartered Accountants

BANKERS

State Bank of Travancore
State Bank of Patiala
State Bank of Hyderabad

CORPORATE OFFICE

“Everest” 20th Floor
46C, J. L. Nehru Road
Calcutta – 700 071

REGISTERED OFFICE

A-13, Co-operative Industrial Estate
Balanagar, Hyderabad – 500 037

CALCUTTA WORKS

P-10, Transport Depot Road
Calcutta – 700 088

HYDERABAD WORKS

129, Sri Venkateswara Co-op. Industrial Estate
IDA Bollaram – 502 320 Medak Dist. (A.P.)

FARIDABAD WORKS

Plot No. 14, Sector - 6
Faridabad - 121 006 (Haryana)

BRANCHES

Ahmedabad, Bangalore, Calcutta, Chandigarh, Chennai, Cuttack,
Faridabad, Guwahati, Hyderabad, Indore, Jaipur, Kanpur, Kochi,
Mumbai, New Delhi & Patna

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NOTICE

TO THE MEMBERS

The 23rd Annual General Meeting of KHAITAN ELECTRICALS LIMITED will be held on Friday the 10th September, 1999 at 11.00 A.M. at Holiday Inn Krishna, Road No.1, Banjara Hills, Hyderabad - 500 034 to transact the following business:

1. To receive and adopt the audited Balance Sheet as on 31st March, 1999 and Profit & Loss Account for the year ended on that date together with the reports of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. P.R.Neelakantan who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. O.Swaminatha Reddy who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint M/s. V.S. Rao & Co., Chartered Accountants, Hyderabad and M/s. G.P. Agarwal & Co., Chartered Accountants, Calcutta as Joint Auditors and fix their remuneration for the year ended 31st March, 2000.

The Company has received a notice in writing dated 19th July, 1999 under Section 225 of the Companies Act, 1956 from some members proposing appointment of M/s. G.P. Agarwal & Co., Chartered Accountants as Joint Auditors of the Company and they are eligible for appointment.

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution:

"RESOLVED that the remuneration comprising of audit fee of Rs.52,500 and reimbursement of out of pocket and other expenses at actuals to M/s. G.P. Agarwal & Co., Chartered Accountants, Calcutta, for carrying the audit of the erstwhile Khaitan Electricals Limited, Calcutta for the period 1st April, 1998 to 31st March, 1999 as provided in the Annual Accounts of the Company for the year ended 31st March, 1999 be and is hereby ratified and approved."
7. To consider and, if thought fit, to pass with or without modification(s), the following resolutions as Ordinary Resolutions:
 - i. "RESOLVED that Mr. Sunil K. Khaitan be and is hereby appointed as a Director of the Company."
 - ii. "RESOLVED that pursuant to the provisions of Schedule XIII read with Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 Mr. Sunil K. Khaitan be appointed as Wholetime Vice Chairman of the Company and consent be and is hereby accorded to him for holding and continue to hold an office or place of profit in the Company, viz., that of Wholetime Vice Chairman for a period of five years commencing from 1st November, 1998 on the terms set out in the Explanatory Statement annexed hereto."
8. To consider and, if thought fit, to pass with or without modification(s), the following resolutions as Ordinary Resolutions:
 - i. "RESOLVED that Mr. Sajjan Dabriwal be and is hereby appointed as a Director of the Company liable to retire by rotation."
 - ii. "RESOLVED that pursuant to the provisions of Schedule XIII read with Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 Mr. Sajjan Dabriwal be appointed as Deputy Managing Director of the Company and consent be and is hereby accorded to him for holding and continue to hold an office or place of profit in the Company for a period of five years commencing from 20th July, 1999 on the terms set out in the Explanatory Statement annexed hereto."



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

- i. "RESOLVED that Mr. G.R.Choudhary be and is hereby appointed as a Director of the Company liable to retire by rotation."
- ii. "RESOLVED that pursuant to the provisions of Schedule XIII read with Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 Mr. G.R.Choudhary be appointed as Finance Director and Secretary of the Company and consent be and is hereby accorded to him for holding and continue to hold an office or place of profit in the Company for a period of three years commencing from 1st February, 1999 on the terms set out in the Explanatory Statement annexed hereto."

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

- i. "RESOLVED that Mr. R.A.Lohariwala be and is hereby appointed as a Director of the Company liable to retire by rotation."
- ii. "RESOLVED that pursuant to the provisions of Schedule XIII read with Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 Mr.R.A.Lohariwala be appointed as Executive Director of the Company and consent be and is hereby accorded to him for holding and continue to hold an office or place of profit in the Company for a period of three years commencing from 1st February, 1999 on the terms set out in the Explanatory Statement annexed hereto."

11. To consider and, if thought fit, to pass with or without modification(s) the following resolution as Ordinary Resolution:

"RESOLVED that in accordance with the applicable provisions of the Companies Act, 1956 and any amendment or modification thereof, consent be and is hereby accorded to modification in the terms of remuneration paid or payable to Mr.P.S.Prabhakar, Executive Director of the Company effective from 1st April, 1999, as set out in the Explanatory Statement annexed hereto".

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

"RESOLVED that pursuant to the provisions of Clause (b) of Sub-Section (i) of Section 314 and other applicable provisions, if any, of the Companies Act, 1956, consent be and is hereby accorded for the appointment of Mrs. Sarita Dabriwal relative of some of the Directors of this Company, at a monthly remuneration of Rs.10,000/- + applicable allowances as per rules of the Company for acting and continue to act as Dy. General Manager (Commercial) of the Company commencing from 1st August, 1999 on the terms set out in the Explanatory Statement annexed hereto."

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

- i. "RESOLVED that pursuant to the recommendation of the Board of Directors and Article 110 of the Articles of Association of the Company, a sum of Rs. 3,02,00,000/- standing to the credit of the General Reserve Account be capitalised subject to the approval of the Securities Exchange Board of India (SEBI), if required, and subject to such terms as SEBI may impose while granting such approval and the aforesaid amount of Rs.3,02,00,000/- be applied for paying up in full for 30,20,000 equity shares of Rs.10/- each in the capital of the Company to be allotted and distributed as Fully Paid Bonus Shares to those members, who are holding the existing 75,50,000 Fully Paid Equity Shares as per Register of Members on the date determined by the Board of Directors in proportion of TWO Bonus Shares for every FIVE Shares held by them on the date as aforesaid and upon the footing they will become entitled to such new equity shares as capital and not as income. The Company shall not issue any certificate or coupon in respect of fractional shares but the total number of new equity shares representing such fractions will be allotted by the Board of Directors to its nominee, who on behalf of such existing shareholders will have

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the right to be allotted such fractional shares and the Company shall issue in favour of such nominee, such equity share certificates after consolidating all the fractional certificates into a marketable lot to the extent possible and thereafter such equity shares shall be sold by such nominee at the prevailing market rate(s) and the net sale proceeds of such shares shall be distributed amongst such members who are entitled to such fractional certificates in proportion to their entitlement and allotment of fractional certificate thereof."

- ii. "RESOLVED further that the Bonus Shares to be issued as Fully Paid Equity Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank in all respects pari passu carrying the same rights as the existing equity shares and, notwithstanding the date or dates of allotment thereof, shall be entitled to participate in full in any dividend(s) to be declared for the Financial Year commencing from 1st April, 1999."
- iii. "FURTHER RESOLVED that, the intention of the Board of Directors to recommend payment of a minimum dividend at the rate of 15% on the Equity Share Capital of the Company as increased by the issue of Bonus Shares for the Financial Year 1999-2000 be and is hereby made known."

A-13, Co-operative Industrial Estate
Balanagar, Hyderabad - 500 037
July 20, 1999

By Order of the Board
G. R. Choudhary
Finance Director & Secretary

NOTES

1. The relative Explanatory Statement pursuant to Section 173 of the Companies, Act, 1956 in respect of the business under items 6 to 13 set out above is annexed hereto.
2. A Member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself/herself/itself and the Proxy need not be a Member of the Company. Proxies, in order to be effective, must be received at the Registered Office of the Company, atleast 48 hours before commencement of the Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 3rd September to 10th September, 1999 (both days inclusive).
4. Members are requested to bring along their copies of the Annual Report in the meeting.
5. Any dividend, approved at the Annual General Meeting, will be paid to the shareholders, whose names appear in the Register of Members of the Company at the close of business on 10th September, 1999.
6. Members, who have not encashed their dividend warrants for the financial years commencing from 1st April, 1995 are requested to approach the Company for obtaining duplicate Dividend Warrants.
7. Members, desiring to seek any information on the annual accounts at the meeting, are requested to write to the Company atleast 10 days in advance of the meeting to facilitate compilation thereof.

IMPORTANT

AS INFORMED, MEMBERS ARE ONCE AGAIN REQUESTED TO SURRENDER THEIR OLD SHARE CERTIFICATE/S FOR EXCHANGE WITH THE NEW SHARE CERTIFICATE/S

**ANNEXURE TO NOTICE****EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956**

The following Explanatory Statement sets out all material facts relating to the special business mentioned in the accompanying Notice dated 20th July, 1999

ITEM NO.6 : The Shareholders of erstwhile Khaitan Electricals Limited, Calcutta at the Annual General Meeting held on 23rd July, 1998 had passed a resolution for the re-appointment of M/s. G.P.Agarwal & Co., Chartered Accountants as Statutory Auditors of their Company for the Financial Year ended 31st March, 1999. Pursuant to this appointment, M/s. G.P.Agarwal & Co., provided necessary audit service to the erstwhile Khaitan Electricals Limited, Calcutta and have made their report available to the Statutory Auditors for the purpose of finalisation of Annual Accounts of the Company post amalgamation of erstwhile Khaitan Electricals Limited, Calcutta.

The Ordinary Resolution set out at Item No. 6 of the Notice convening this Annual General Meeting is proposed to obtain the approval of the Members of the Company by way of ratification, in respect of the remuneration of Rs.52,500/- payable to M/s. G.P.Agarwal & Co. towards their audit fee.

None of the Directors of the Company is concerned or interested in this Resolution and the Board commends passing thereof.

ITEM NO. 7: The Board of Directors at its meeting held on 29th October, 1998 had appointed Mr. Sunil K.Khaitan as Wholetime Vice Chairman for a period of five years with effect from 1st November, 1998 on the terms, conditions and remuneration, as already circulated to the members. The remuneration and other terms were reviewed by the Board in its meeting held on 20th July, 1999 which are set out hereunder:

The total remuneration payable to Mr. Sunil K.Khaitan shall be 5% of the net profit of the Company for each financial year or part thereof, computed in the manner laid down in Section 309 (5) of the Companies Act, 1956 provided that in case of inadequacy of profit or no profit in any financial year, his minimum remuneration, subject to the provisions of the said Schedule XIII, shall be as follows:

REMUNERATION:

- a) **Salary :** Rs.40,000/- (Rupees forty thousand only) per month with effect from 1st April, 1999. Annual increment, which will be effective from 1st April each year, shall be decided by the Board on merit after taking into account the Company's performance.
- b) **Perquisites :** In addition to the salary, he shall be entitled to the following perquisites within the overall limits as stated above.

CATEGORY I

- i. Rent-free residential accommodation, failing which House Rent Allowance @ 60% of the Salary.
- ii. The expenditure incurred by the Company on Gas, Electricity, Water and Furnishings shall be valued as per Income Tax Rules, 1962 and shall not exceed 10% of his salary.
- iii. The reimbursement of medical expenses actually incurred for self and family.
- iv. Leave Travel Assistance for self and family incurred in accordance with the Rules of the Company.
- v. Fee of Clubs of which Mr. Sunil K. Khaitan is or will be a member.

CATEGORY II

- i. The Company's contribution to Provident, Superannuation and other funds as per its rules. Such contribution will not be included in computation of the ceiling on perquisites to the extent, not taxable under the Income Tax Act, 1961.
- ii. Gratuity at the rate of half month's salary for every completed year of service as per rules of Company, subject to the limits prescribed by the Central Government, which will not be included in the computation of ceiling on perquisites.
- iii. Earned Leave as per Rules of the Company. Encashment of leave at the end of his tenure will not be included in the computation of ceiling on perquisites.

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CATEGORY III (Not to be considered as Perquisites)

- i. Provision of car with driver for use on Company's business.
- ii. Free telephone facility at residence.

Provided further, that the commission on profit payable to Mr. Sunil K. Khaitan will be the difference between 5% of the net profit of the Company and the minimum remuneration payable as aforesaid. If the remuneration is payable for part of the year, the profit for the financial year will be allocated on time basis to compute such percentage referred to above.

He shall not be entitled to receive any fee for attending any meeting of the Board or a Committee thereof, so long as he functions as Wholetime Vice Chairman of the Company.

This appointment can be terminated by him or the Company's Board of Directors by giving three months' notice in writing to the other.

The remuneration, designation, terms and conditions of this appointment can be altered and varied from time to time by the Board as it may, in its discretion, deem fit within the provisions of Schedule XIII of the Companies Act, 1956.

By virtue of Section 260 of the Companies Act, 1956, Mr. Sunil K. Khaitan holds office of the Director upto the date of ensuing Annual General Meeting. However, the Company has received separate Notice u/s. 257 from Members signifying their intention to propose Mr. Sunil K. Khaitan's candidature for the office of the Director of the Company at this Annual General Meeting.

Mr. Sunil K. Khaitan is a B.Com.(Hons.) and M.B.A., having over 20 years' experience in the Fan Industry. He was the Managing Director of the erstwhile Khaitan Electricals Limited and under his able leadership, the said Company achieved tremendous growth.

Keeping in view the vast experience and leadership capability, the Directors feel that his appointment as proposed is in the interest of the Company and, therefore, commend the resolution for your approval.

Mr. Sunil K. Khaitan is interested or concerned in the resolution to the extent of appointment and remuneration payable to him. Mr. S.K. Khaitan, Mr. A.K. Kajaria and Mr. Sajjan Dabriwal, being related to Mr. Sunil K. Khaitan, may also be deemed interested or concerned in the resolution. Save and except the aforesaid, none of the other Directors are concerned or interested in the resolution.

This Explanatory Statement together with accompanying Notice is and may be treated as an abstract under Section 302 of the Companies Act, 1956.

ITEM NO. 8, 9 & 10 : The Board of Directors at its meeting held on 23rd January, 1999 had appointed Mr. G.R. Choudhary as Finance Director and Secretary and Mr. R.A. Lohariwala as Executive Director for a period of three years with effect from 1st February, 1999 on the terms, conditions and remuneration as already circulated. On 20th July, 1999, the Board appointed Mr. Sajjan Dabriwal as Deputy Managing Director for a period of five years with effect from 20th July, 1999 and reviewed/decided the remuneration, terms and conditions of Mr. G.R. Choudhary, Mr. R.A. Lohariwala and Mr. Sajjan Dabriwal, which are set out hereunder:

REMUNERATION

a) Salary

Mr. Sajjan Dabriwal, Dy. Managing Director

Rs. 20,000 (Rupees Twenty thousand only) per month with effect from 20th July, 1999. Annual increment, which will be effective from 1st April every year, shall be decided by the Board on merit, after taking into account the Company's performance.

Mr. G.R. Choudhary, Finance Director & Secretary

Rs. 15,000 (Rupees Fifteen thousand only) per month with effect from 1st April, 1999. Annual increment, which will be effective from 1st April every year, shall be decided by the Board on merit after taking into account the Company's performance.



Mr. R.A. Lohariwala, Executive Director

Rs. 15,000 (Rupees Fifteen thousand only) per month with effect from 1st April, 1999. Annual increment, which will be effective from 1st April every year, shall be decided by the Board on merit after taking into account the Company's performance.

b) Commission

Mr. Sajjan Dabrial, Dy. Managing Director – At the rate of 0.50% of the net profit of the Company for each financial year.

Mr. G.R. Choudhary, Finance Director & Secretary – At the rate of 0.25% of the net profit of the Company for each financial year.

Mr. R.A. Lohariwala, Executive Director – At the rate of 0.25% of the net profit of the Company for each financial year.

c) Perquisites

In addition to the salary and commission, they will be entitled to the following perquisites which shall be restricted to an amount equal to their individual annual salary.

CATEGORY I

- i. Rent-free residential accommodation, failing which House Rent Allowance @ 60% of the salary.
- ii. The expenditure incurred by the Company on Gas, Electricity, Water and Furnishings shall be valued as per Income Tax Rules, 1962 and shall not exceed 10% of the salary.
- iii. The reimbursement of medical expenses actually incurred for self and family, which shall not exceed one month's salary in a year or three months' salary over a period of three years.
- iv. Leave Travel Assistance for self and family incurred in accordance with the Rules of the Company.
- v. Fee of Club subject to a maximum of two Clubs. This will not include the Admission and/or Life Membership Fee.

CATEGORY II

- i. The Company's contribution to Provident, Superannuation and other funds as per its rules. Such contribution will not be included in computation of the ceiling on perquisites to the extent, not taxable under the Income Tax Act, 1961.
- ii. Gratuity at the rate of half month's salary for every completed year of service as per rules of the Company, subject to the limits prescribed by the Central Government, which will not be included in the computation of ceiling on perquisites.
- iii. Earned Leave as per Rules of the Company. Encashment of leave at the end of the tenure will not be included in the computation of ceiling of perquisites.

CATEGORY III (Not to be considered as Perquisites)

- i. Provision of car with driver for use on Company's business, alternatively car/conveyance expenses incurred on Company's business will be reimbursed at actuals
- ii. Free Telephone facility at residence, provided that charges for all personal long distance calls shall not be borne by the Company.

In the event of loss or inadequacy of profit, they will be entitled to the above remuneration as minimum remuneration.

They will not be entitled to receive any fee for attending any meeting of the Board or a Committee thereof.

This appointment can be terminated by either party by giving three months' notice in writing to the other.

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The remuneration, designation, terms and conditions of their appointment can be altered and varied from time to time by the Board as it may, in its discretion, deem fit within the provisions of Schedule XIII of the Companies Act, 1956.

By virtue of Section 260 of the Companies Act, 1956, Mr. Sajjan Dabriwal, Mr. G.R. Choudhary and Mr. R.A. Lohariwala hold office of the Director upto the date of ensuing Annual General Meeting. However, the Company has received separate Notices u/s. 257 from Members signifying their intention to propose Mr. Sajjan Dabriwal, Mr. G.R. Choudhary and Mr. R.A. Lohariwala's candidature for the office of the Directors of the Company at this Annual General Meeting.

Mr. Sajjan Dabriwal is a Commerce Graduate having over eight years' experience in running industry and business.

Mr. G.R. Choudhary is a qualified Chartered Accountant and Company Secretary. He is associated with the group for about 12 years. He was Finance Director of the erstwhile Khaitan Electricals Limited since 1994 and has got seventeen years post qualification experience in the field of Finance, Secretarial, Accounts and Taxation matters.

Mr. R.A. Lohariwala is a B.Com.(Hons.) and L.L.B. He had been associated with the group for the last 16 years and has got wide experience in Fan Industry, particularly in production, marketing and commercial areas. He was Executive Director of the erstwhile Khaitan Electricals Limited since 1994.

This appointment of Mr. Sajjan Dabriwal as Deputy Managing Director, Mr. G.R. Choudhary as Finance Director and Secretary and Mr. R.A. Lohariwala as Executive Director and the remuneration payable to them have been fixed within the Provisions of Schedule XIII of the Companies Act, 1956 (as amended).

Keeping in view the vast experience of Mr. Sajjan Dabriwal, Mr. G.R. Choudhary and Mr. R.A. Lohariwala, the Directors feel that their appointments as proposed are in the interest of the Company and, therefore, they commend the resolutions for your approval.

Mr. S.K. Khaitan and Mr. Sunil K. Khaitan being relatives of Mr. Sajjan Dabriwal, may be deemed interested or concerned in the resolution for appointment of Mr. Sajjan Dabriwal as Deputy Managing Director.

Mr. Sajjan Dabriwal, Mr. G.R. Choudhary and Mr. R.A. Lohariwala are concerned or interested in their respective resolution to the extent of appointment and remuneration payable to them. Save and except the aforesaid no other Directors of the Company is concerned or interested in the resolutions.

This Explanatory Statement together with accompanying Notice is and may be treated as an abstract under Section 302 of the Companies Act, 1956.

ITEM NO. 11 : The Board of Directors at its meeting held on 20th July, 1999 approved, subject to the approval of the Members, revision in the remuneration, terms and conditions of Mr. P.S.Prabhakar with effect from 1st April, 1999 for the residual period as under :

- a. **Salary :** Rs.15,000/- (Rupees Fifteen thousand only) per month. Annual increment, which will be effective from 1st April every year shall be decided by the Board on merit after taking into account the Company's performance.
- b. **Commission :** At the rate of 0.25% of the net profit of the Company for each financial year.
- c. **Perquisites :** In addition to the salary and commission, he will be entitled to the following perquisites which shall be restricted to an amount equal to his individual annual salary.

CATEGORY I

- i. Rent-free residential accommodation, failing which House Rent Allowance @ 60% of the salary.
- ii. The expenditure incurred by the Company on Gas, Electricity, Water and Furnishings shall be valued as per Income Tax Rules, 1962 and shall not exceed 10% of the salary.
- iii. The reimbursement of medical expenses actually incurred for self and family, which shall not exceed one month's salary in a year or three months' salary over a period of three years.



- iv. Leave Travel Assistance for self and family once in a year, incurred in accordance with the Rules of the Company.
- v. Fee of Club subject to a maximum of two Clubs. This will not include the Admission and/or Life Membership Fee.

CATEGORY II

- i. The Company's contribution to Provident, Superannuation and other funds as per its rules. Such contribution will not be included in computation of the ceiling on perquisites to the extent, not taxable under the Income Tax Act, 1961.
- ii. Gratuity at the rate of half month's salary for every completed year of service as per rules of the Company, subject to the limits prescribed by the Central Government, which will not be included in the computation of ceiling on perquisites.
- iii. Earned Leave as per Rules of the Company. Encashment of leave at the end of the tenure will not be included in the computation of ceiling on perquisites.

CATEGORY III (Not to be considered as Perquisites)

- i. Provision of car with driver for use on Company's business, alternatively car/conveyance expenses incurred on Company's business will be reimbursed at actuals.
- ii. Free telephone facility at residence, provided that charges for all personal long distance calls shall not be borne by the Company.

In the event of loss or inadequacy of profit, he will be entitled to the above remuneration as minimum remuneration.

He will not be entitled to receive any fee for attending any meeting of the Board or a Committee thereof.

This appointment can be terminated by either party by giving three months' notice in writing to the other.

The remuneration, designation, terms and conditions of his appointment can be altered and varied from time to time by the Board as it may, in its discretion, deem fit within the provisions of Schedule XIII of the Companies Act, 1956.

- Mr. P.S.Prabhakar is concerned or interested in the above resolution to the extent of remuneration and perks payable to him. Save and except the aforesaid no other Directors of the Company is concerned or interested in the resolution.

- The Board of Directors recommend the resolution for your approval.

- This Explanatory Statement together with accompanying Notice is and may be treated as an abstract under Section 302 of the Companies Act, 1956.

ITEM NO.12 : The Board of Directors at its meeting held on 20th July, 1999 has appointed Mrs. Sarita Dabrial as Dy. General Manager (Commercial) with effect from 1st August, 1999 on the terms, conditions and remuneration as set out hereunder:

- | | |
|----------------------------------------------------------------|----------------------------|
| a. Basic Salary | : Rs.10,000/- per month |
| b. House Rent Allowance | : 50% of the Basic Salary |
| c. Conveyance Allowance | : Rs.1,250/- per month. |
| d. City Compensatory Allowance | : 10% of the Basic Salary. |
| e. Children Education Allowance | : Rs.150/- per month. |
| f. Newspaper Allowance | : Rs.150/- per month. |
| g. Contribution to Provident Fund as per Rules of the Company. | |

This appointment can be terminated by her or the Company's Board of Directors by giving three months' notice to the other.