



National Peroxide Limited

ANNUAL REPORT & ACCOUNTS 2002-2003



(Registered — 16th March, 1954)

DIRECTORS (as on 19th May, 2003)

P. V. KUPPUSWAMY	<i>Chairman</i>
H. C. BIJAWAT	
R. K. PITAMBER	
K. N. SUNTOOK	
NESS N. WADIA	
C. DE SLOOVER	
M. FRIESEWINKEL	
E. MIGNONAT	
D. B. ENGINEER	<i>Alternate to E. MIGNONAT</i>
A. K. HIRJEE	
S. R. LOHOKARE	<i>Wholetime Director</i>

BANKERS

STATE BANK OF INDIA
CANARA BANK
STATE BANK OF INDORE

SOLICITORS AND ADVOCATES

CRAWFORD BAYLEY & Co.

AUDITORS

S. B. BILLIMORIA & Co.
Chartered Accountants

REGISTERED OFFICE

NEVILLE HOUSE,
BALLARD ESTATE,
MUMBAI-400 001.

FACTORY

N.R.C. ROAD, P.O. ATALI,
VIA MOHONE,
KALYAN-421 102,
DIST. THANE,
MAHARASHTRA.

CONTENTS

Notice	2
Directors' Report	11
Management Discussion & Analysis	18
Corporate Governance	20
Auditors' Report	29
Balance Sheet	32
Profit & Loss Account	33
Schedules to the Balance Sheet	34
Schedules to the Profit and Loss Account	39
Notes to the Accounts	41
Cash Flow Statement	49
Consolidated Auditors' Report	51
Consolidated Balance Sheet	52
Consolidated Profit & Loss Account	53
Schedules to the Consolidated Balance Sheet	54
Schedules to the Consolidated Profit & Loss Account	58
Notes to the Consolidated Accounts	60
Consolidated Cash Flow Statement	64
Naperol Investments Limited	65
Wonderlene Investments Limited	77



NOTICE

NOTICE is hereby given that the Forty-Ninth Annual General Meeting of NATIONAL PEROXIDE LIMITED will be held at Patkar Hall, Nathibai Thackersey Road, New Marine Lines, Mumbai 400 020 on Wednesday, 23rd July, 2003 at 3.30 p.m. to transact the following business :

Ordinary Business :

1. To receive, consider and adopt the Balance Sheet of the Company as at 31st March, 2003 and the Profit and Loss Account for the year ended on that date, together with the Reports of the Board of Directors and Auditors thereon.
2. To declare a Dividend for the year ended 31st March, 2003.
3. To appoint a Director in place of Mr. Ness N. Wadia who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Michel Friesewinkel who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. R. K. Pitamber who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Messrs S.B. Billimoria & Co., as Auditors from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

Special Business :

7. To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution :
 "RESOLVED THAT Mr. Eric Mignonat be and is hereby appointed as a Director of the Company whose period of office shall be liable to retirement by rotation."
8. To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution :
 "RESOLVED THAT Mr. A. K. Hirjee be and is hereby appointed as a Director of the Company whose period of office shall be liable to retirement by rotation."
9. To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution :
 "RESOLVED THAT subject to the provisions of Sections 198, 269, 309, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (hereinafter referred to as "the Act") (including any statutory modification or re-enactment thereof, for the time being in force), the Company hereby approves the re-appointment of Mr. S. R. Lohokare, who is also the Wholetime Director of Citurgia Biochemicals Limited, as a Wholetime Director of the Company for a period of five years with effect from 1st May, 2003 on the terms and conditions, including remuneration, as are set out in the Agreement to be entered into between the Company and Mr. S. R. Lohokare, a draft whereof duly initialled by the Chairman, for the purpose of identification, is submitted to this meeting, with liberty to the Board of Directors of the Company (hereinafter referred to as "the Board" which expression shall include a committee thereof) to alter and vary the said terms of appointment and remuneration and/or Agreement in such manner as may be agreed to, between the Board and Mr. S. R. Lohokare but so that his remuneration shall not exceed the limits specified in Schedule XIII to the Act (including any statutory modification or re-enactment thereof, for the time being in force) or any amendments and/or modifications that may hereafter from time to time be made thereto by the Central Government.
 "RESOLVED FURTHER THAT where in any financial year, during the currency of the tenure of Mr. S. R. Lohokare as Wholetime Director, the Company has no profits or its profits are inadequate, the Company may pay to Mr. S. R. Lohokare all the remuneration by way of salary (including incentive)



and allowances, and perquisites not exceeding the limits stipulated in the aforesaid draft Agreement within the overall ceiling specified in Schedule XIII to the Act or subject to the approval of the Central Government notwithstanding that the same is in excess of the maximum remuneration permitted to be paid to him under the applicable provisions of the Act for the time being and from time to time in force.

"RESOLVED FURTHER THAT the Board, be and is hereby authorized, at its discretion, from time to time, to fix the remuneration and/or perquisites of Mr. S. R. Lohokare and revise such remuneration and/or perquisites from time to time within the maximum limits specified in the aforesaid draft Agreement and that the Board, be and is hereby further authorised to vary/modify/amend any of the aforesaid terms and conditions provided such variation/modification/amendment is in conformity with the applicable provisions of the Act as amended from time to time.

"RESOLVED FURTHER THAT the Board, be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary or desirable to give effect to this resolution."

NOTES :

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL ONLY AND A PROXY NEED NOT BE A MEMBER. The instruments appointing the proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- (b) An Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, relating to Item nos. 7, 8 & 9 is annexed hereto.
- (c) The Share Transfer Books and the Register of Members of the Company will remain closed from Saturday, 12th July, 2003 to Wednesday, 23rd July, 2003, both days inclusive.
- (d) The dividend as may be declared shall be payable to members of the Company, on or after 24th July, 2003, whose names appear:
 - (i) as Beneficial Owners as at the end of the business hours on 23rd July, 2003, as per the list to be furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd., in respect of the shares held in electronic form; and
 - (ii) as members on the Register of Members of the Company as on 23rd July, 2003.
- (e) Members are requested to submit Bank Account particulars/ECS mandate, if not already done so, to Sharex (India) Pvt. Ltd., at their address given below, quoting their folio numbers. The aforesaid information should reach Sharex (India) Pvt. Ltd. on or before 11th July, 2003.
- (f) In terms of Section 205-C introduced by the Companies (Amendment) Act, 1999, read with Section 205-A of the Companies Act, 1956, as amended, the amount of dividend remaining unclaimed for a period of seven years is required to be transferred to the Investor Education and Protection Fund. Members who have so far not encashed their Dividend Warrants for the Financial Years ended 31st March, 1996; 31st March, 1997; 31st March, 2001 and 31st March, 2002 are advised to submit their claim to Sharex (India) Pvt. Ltd., at their address given below, quoting their folio numbers.
- (g) The unclaimed dividends for the year ended 31st March, 1994 and previous years, declared by the Company have been transferred to the general revenue account of the Central Government in terms of Section 205(A) of the Companies Act, 1956. Shareholders who have not encashed their dividend warrants for the aforesaid years are requested to claim the amount from the Registrar of Companies, Maharashtra, Hakoba Compound, 2nd Floor, Dattaram Lad Marg, Kalachowki, Chinchpokli (E), Mumbai- 400 033.
- (h) Members are requested to notify immediately any change of address to the Company's Share Transfer Agents, Sharex (India) Pvt. Ltd. at the following address:
 17/B, Dena Bank Building, 2nd Floor,
 Horniman Circle, Fort,
 Mumbai - 400 001.
 Tel: 2270 2485/2264 1376.



- (i) Members desiring any information/clarification as regards the Accounts are requested to write to the Company at least 10 days before the Annual General Meeting to enable the Management to reply at the Meeting.
- (j) Members/ Proxies should bring the Attendance Slip sent herein duly filled in for attending the Meeting.
- (k) Members are requested to bring their copy of the Annual Report to the Meeting.
- (l) As required in terms of Paragraph VI(A) of Clause 49 of the Listing Agreement, the details of the Directors retiring by rotation and eligible for re-appointment are furnished below :

1. Mr. Ness N. Wadia :

Mr. Ness N. Wadia, 31, was inducted on the Company's Board in March 1997. During the last two years, he has received extensive training at the Warwick University, U.K., and he is due to be conferred with the degree of M.Sc. by the said University.

Mr. Ness N. Wadia is the Deputy Managing Director of The Bombay Dyeing & Mfg. Co. Ltd. for the last one and a half years, heading the Property Division of the Company and is in-charge of the assignment of rebranding and restructuring of the Retail Distribution Division of the Company. He is also on the Boards of Nowrosjee Wadia & Sons Ltd., Gherzi Eastern Ltd., Botanium Ltd., Wadia BSN India Ltd., Proline India Ltd.

Mr. Ness N. Wadia was awarded Rotary Medal of Honour for Bravery in 1980-81.

Outside Directorships : Nowrosjee Wadia & Sons Ltd., Gherzi Eastern Ltd., The Bombay Dyeing & Mfg. Co. Ltd. (Dy. Managing Director), Virtual Education Network Pvt. Ltd., Botanium Ltd., Wadia BSN India Ltd., Proline India Ltd.

Committee Memberships : Nil

2. Mr. Michel Friesewinkel :

Mr. Michel Friesewinkel, 46, was inducted on the Company's Board in June 2000. He was educated at the University Libre of Brussels, Belgium, where he obtained an engineering degree in chemistry and graduated from the Solvay business school (MBA level). He is a member of alumni professional organizations.

He is currently Corporate Development Advisor for Pharmaceuticals, Chemicals and the 5-year Plan for the Solvay Group.

In the course of his 23 years with Solvay he has occupied positions in Belgium, Italy and France, mainly in Chemicals (Solvay Interlox) and Plastics, and has gained experience from Research and Production to Organisation and Finance. In International Marketing he has covered mainly South America and Asia, in particular Japan and the Far East.

Outside Directorships : Oy Finnish Peroxides, Finland (Alternate Director)

Committee Memberships : Nil

3. Mr. R. K. Pitamber :

Mr. R. K. Pitamber, 71, was inducted on the Company's Board in July 1984. He holds a B.A. degree from Oxford University. He had served the British Army for two years from 1954 to 1956. Mr. Pitamber is a Director on the Board of Mahindra & Mahindra Ltd. He has a very long association of almost 45 years with Mahindra & Mahindra Ltd., where he had joined as a Management Trainee in the year 1958. Mr. Pitamber was elevated as Head of Materials and then Exports. After his tenure as Chief Executive of the Instrumentation & Electronics Division, he was Executive Assistant to the Chairman. In 1980 he became the Executive Director & Executive Vice-President (Finance) of the Company and in 1987 he went on to become the Dy. Managing Director (Operations). From 1990 he was the Managing Director of Mahindra & Mahindra Ltd. until his retirement in 1997.



Mr. Pitamber has been the Vice-President of Bombay Chamber of Commerce & Industry in 1996-97 and its President in 1997-98.

In the field of sports, Mr. Pitamber has won various Golf Tournaments in the U.K. and Europe. He represented India in International Team events between 1958 and 1975 and was Captain of the Indian teams between 1964 and 1975. He won the National Amateur Golf Championships in 1966 and 1973. He was the President of the Indian Golf Union in 1974-75.

Mr. Pitamber was the recipient of the Arjuna Award in 1967.

Outside Directorships : Owens Corning (India) Ltd. (Chairman), Gherzi Eastern Ltd. (Chairman), Mahindra & Mahindra Ltd., NTTF Industries Ltd., Mahindra Holdings & Finance Ltd., Gati Ltd., Auto Ignition Ltd.

Committee Memberships : Share Transfer Committee of Mahindra & Mahindra Ltd., Audit Committees of Mahindra Holdings & Finance Ltd. and Gati Ltd., Remuneration Committees of Gati Ltd. and National Peroxide Ltd.

4. Mr. Eric Mignonat :

Mr. Eric Mignonat, 46, was inducted on the Company's Board in July 2001. He was educated at the Engineering High School in Paris, France and did his MBA at the INSEAD (France).

He is currently General Manager-Hydrogen Peroxide at the Chemicals Sector of Solvay SA in Brussels (Belgium).

He has experience in General Management of different companies in Asia, America and Europe. He was a pioneer in the development of the Electronic Business and participated as lecturer at different conferences in the Pharmaceuticals, Plastic and Chemicals Sectors.

Outside Directorships : Solvay Interlox Pty. Ltd.; Solvay Interlox SA (Chairman); Peroxidos do Brasil Ltda.; Solvay Interlox, Sociedad Anonima; Solvay Interlox, INC; Oy Finnish Peroxides AB (Chairman); Solvay Interlox SA; Solvay Interlox (N-Z) Ltd.; Solvay Interlox Ltd.; Belinka Perkemija D.D.; Peroxythai Ltd.

Committee Memberships : Nil

5. Mr. A. K. Hirjee :

Mr. A. K. Hirjee, 63, was inducted on the Company's Board in September 2002. He is a B.A. (Hons.), LL.B. (Hons.), Barrister-at-Law and a Fellow of London Business School. He has 40 years of experience in different areas of Business Management and his expertise extends to finance, banking, legal, commercial, industrial and general administration. Mr. Hirjee has been actively associated with leading Charitable Institutions.

Outside Directorships : The Bombay Burmah Trading Corporation Ltd. (Vice-Chairman), The Bombay Dyeing & Mfg. Co. Ltd., Gherzi Eastern Ltd., B.R.T. Ltd. (Chairman), Atlas Copco (India) Ltd., Nowrosjee Wadia & Sons Ltd., Wadia BSN India Ltd., Britannia Industries Ltd., Citurgia Biochemicals Ltd., HDFC Trustee Co. Ltd.

Committee Memberships : Chairman of the Audit Committees of The Bombay Burmah Trading Corp. Ltd. and Atlas Copco (India) Ltd., Chairman of the Shareholders'/Investors' Grievance Committee of The Bombay Burmah Trading Corp. Ltd., Member of the Shareholders'/Investors' Grievance Committees of Atlas Copco (India) Ltd. and Citurgia Biochemicals Ltd., Member of the Share Transfer and Shareholders'/Investors' Grievance Committee of Britannia Industries Ltd., Chairman of the Remuneration Committee of Atlas Copco (India) Ltd. and Member of the Remuneration Committee of Citurgia Biochemicals Ltd.

6. Mr. S. R. Lohokare :

Mr. S. R. Lohokare, 52, is a B.Tech. (Hons) in Chemical Engineering from the Indian Institute of Technology, Mumbai. He is also a PGDIM and Master of Financial Management from Bombay University.



Mr. Lohokare has over 30 years' experience in Chemical Industry. He is presently the Wholetime Director of National Peroxide Limited and Citurgia Biochemicals Limited.

He started his career with The Associated Cement Companies Limited (ACC) where he worked for over 14 years. Thereafter, he worked for Indian Petrochemical Limited and Deepak Nitrite for 5 and 4 years respectively. He joined National Peroxide Limited in April 1997 as Vice-President (Technical) and was promoted as Wholetime Director on 1st May, 1998 and as a Wholetime Director of Citurgia Biochemicals Limited on 1st August, 2002.

Mr. Lohokare is a recipient of the President's Silver Medal for standing 1st amongst Chemical Engineering students and is also a recipient of the Indian Institute of Chemical Engineers Award for Excellence in Process Development and Product Design in 1986 instituted by Indian Explosives Limited.

He is also recipient of the Best Chief Executive Gold Award sponsored by Lal Bahadur Shastri Memorial National Award for Excellence in Indian Industries, in 2000 and 2002.

Outside Directorships : Citurgia Biochemicals Ltd. (Wholetime Director); Naperol Investments Ltd.; National Peroxide Employees' Welfare Co. Ltd.; Wonderlene Investments Ltd.; Jasper Investments Ltd.; Himgiri Trading & Agencies Ltd.; Sodality Investments Ltd.

Committee Memberships : National Peroxide Ltd. (Share Transfer/Shareholders' Grievance Committee); Citurgia Biochemicals Ltd. (Share Transfer/Shareholders' Grievance Committee).

By Order of the Board of Directors
For NATIONAL PEROXIDE LIMITED

(MEHUL R. SHAH)
Company Secretary

Registered Office :
Neville House
J. N. Heredia Marg
Ballard Estate
Mumbai - 400 001.
Mumbai, 19th May, 2003

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ANNEXURE TO THE NOTICE

Explanatory Statement as required under Section 173 of the Companies Act, 1956

The following Explanatory Statement sets out the material facts relating to the business mentioned at Item Nos.7, 8 & 9 of the accompanying Notice of the Annual General Meeting dated 19th May, 2003:

Item No. 7 :

Mr. Eric Mignonat was appointed a Director in accordance with the provisions of Section 262 of the Companies Act, 1956 ("the Act"), with effect from 1st July 2001, to fill the casual vacancy caused by the resignation of Mr. F. E. Brown. Mr. Brown would have held office upto the date of this Annual General Meeting had he not resigned. Pursuant to Section 262 of the Act, read with Article 138 of the Articles of Association of the Company, Mr. Mignonat holds office upto the date of the Annual General Meeting. The Company has received a notice in writing under Section 257 of the Act, from a Member, proposing Mr. Mignonat as a candidate for the office of a Director alongwith a deposit of Rs. 500/- which will be refunded to such Member, if Mr. Mignonat is elected as a Director.

The services of Mr. Mignonat will be useful to the Company. The Directors, therefore, recommend that he be appointed as a Director of the Company.

None of the Directors other than Mr. Mignonat may be considered to be concerned or interested in the said appointment, at item no.7.

Item No. 8 :

Mr. A. K. Hirjee was appointed as an Additional Director on the Board of the Company with effect from 3rd September, 2002, pursuant to Section 260 of the Companies Act, 1956 ("the Act"), read with Article 137 of the Articles of Association of the Company. Mr. Hirjee holds office upto the date of this Annual General Meeting. The Company has received a notice in writing under Section 257 of the Act, from a Member, proposing Mr. Hirjee as a candidate for the office of a Director along with a deposit of Rs. 500/- which will be refunded to such Member, if Mr. Hirjee is elected as a Director.

The services of Mr. Hirjee will be useful to the Company. The Directors, therefore, recommend that he be appointed as a Director of the Company.

None of the Directors other than Mr. Hirjee may be considered to be concerned or interested in the said appointment, at item no. 8.

Item No. 9 :

The Board of Directors of the Company (hereinafter referred to as "the Board" which expression shall include a committee thereof) at their meeting held on 20th January, 2003 re-appointed Mr. S. R. Lohokare, who is also the Wholetime Director of Citurgia Biochemicals Limited, as Wholetime Director, for a period of five years with effect from 1st May, 2003, subject to the approval of the Members at this Annual General Meeting, upon the terms and conditions set out in the draft Agreement to be entered into between the Company and Mr. Lohokare, referred to in the text of the Resolution at item no. 9 of this Notice. Mr. Lohokare's remuneration will be determined by the Board, from time to time, within the overall limits stated in Schedule XIII of the Companies Act, 1956 (hereinafter referred to as "the Act") existing or as amended, modified or re-enacted from time to time by the Government of India.

The material terms of the draft Agreement referred to in the Resolution at item no. 9 are as follows:

1. The appointment of Mr. Lohokare as Wholetime Director of the Company shall be for a period of five years commencing from 1st May, 2003, subject to the employment being previously determined in pursuance of any of the provisions of this Agreement. Where, during the term of appointment of Mr. Lohokare as Wholetime Director of the Company, he retires by rotation and is subsequently re-appointed as a Director, the time-lag between his retirement and subsequent re-appointment shall not be considered as a break in the service of Mr. Lohokare as Wholetime Director and will not affect the terms of appointment of or the remuneration payable to Mr. Lohokare.
2. Mr. Lohokare shall carry out such functions, exercise such powers and perform such duties as the Board shall, from time to time, in its absolute discretion determine and entrust to him. Subject to the superintendence, control and direction of the Board, Mr. Lohokare shall have the general control of the business of the Company and be vested with the management and day-to-day affairs of the Company,



to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts and things which in the ordinary course of such business he may consider necessary or proper or in the best interest of the Company.

3. During his employment under this Agreement, Mr. Lohokare shall devote such time and attention to the business of the Company as warranted by business exigencies and shall exert his best endeavours to promote its interests and welfare and undertake travelling in and outside India, as may be necessary, in the interests of the Company's business or as may be required or directed by the Board in connection with or in relation to the business of the Company.
4. Mr. Lohokare, who is also the Wholetime Director of Citurgia Biochemicals Ltd., shall draw the remuneration (including emoluments, benefits, incentives, commission etc.), as decided by the Board from time to time, from one or both the companies, the total of which shall not exceed the higher maximum limit admissible from any one of the Companies, in terms of section III of part II of Schedule XIII of the Act, read with section 198, 309 and other applicable provisions, if any, of the Act.
5. Subject to clause 4 of this agreement, the Company may pay to Mr. Lohokare, in consideration of the performance of his duties as Wholetime Director, the following emoluments, benefits and perquisites, subject to the limits laid down under Schedule XIII of the Act :
 - (i) Basic Salary: Rs. 80,000/- (Rupees Eighty Thousand only) per month or such other sums not exceeding Rs.1,50,000/- (Rupees One Lac Fifty Thousand only) per month as may be determined by the Board from time to time.
 - (ii) Incentive Allowance: Upto 50% of the basic salary as may be decided by the Board from time to time at its sole discretion, which will qualify for both, Provident Fund and Superannuation Fund or Annuity Fund contributions.
 - (iii) Commission: Commission on profits at such percentage of basic salary as may be permissible under the Act and as may be determined by the Board from time to time at its discretion.

PROVIDED HOWEVER subject always to the limits contained in Sections 198 and 309 of the Act, the Company may, at its sole discretion, pay by way of basic salary, incentive allowances, commission on profits and/or bonus, as may be determined by the Board from time to time, which shall not exceed a maximum limit of Rs. 40 lacs per annum.

- (iv) In addition to the above remuneration, Mr. Lohokare may also be entitled to perquisites such as partly furnished accommodation, gas, electricity, water, furnishings, medical reimbursement, leave travel concession for self and family, club fees, medical insurance and other benefits and amenities in accordance with the Rules of the Company, the monetary value of such perquisites being restricted to Rs.15 lacs per annum.

For the purpose of computing the aforesaid ceiling, perquisites shall be valued as per the Income Tax Rules, 1962, wherever applicable. Provision for use of Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in such computation. Contribution to Provident Fund, Superannuation Fund or Annuity Fund shall not exceed 27% of the basic salary and incentive or such higher percentage as permissible under Rule 87 of the Income Tax Rules, 1962 and shall not be included in the computation of the ceiling on the remuneration payable as aforesaid.

- (v) The total remuneration, including perquisites and contribution to Provident Fund and Superannuation Fund or Annuity Fund shall not exceed 5% for one such Wholetime Director and if there is more than one such Wholetime Director, 10% for all of them together, of the net profits, calculated in accordance with Section 198 and Section 309 of the Act.

Provided where in any financial year, during the currency of tenure of Mr. Lohokare as Wholetime Director, the Company has no profits or its profits are inadequate, Mr. Lohokare shall be entitled to all the remuneration by way of basic salary, incentive and allowances, and perquisites not exceeding the limits stipulated above subject to compliance with the applicable provisions of Schedule XIII to the Act (including any statutory modification or re-enactment thereof, for the time being in force), if and to the extent necessary, with the approval of the Central Government.

- (vi) The Board may, at its discretion, pay to Mr. Lohokare, lower remuneration than the maximum remuneration specified and revise such remuneration from time to time, within the maximum limits specified therein.



6. Mr. Lohokare has made himself well conversant with the Rules of the Company which are applicable to other Senior Executives of the Company. These Rules shall also apply to Mr. Lohokare in respect of his contract of employment as such Wholetime Director. It is clarified that Mr. Lohokare's eligibility for gratuity under the Company's Gratuity Fund shall be computed on his basic salary only.
7. Mr. Lohokare shall not be paid any fees for attending meetings of the Board or of any Committee thereof.
8. Mr. Lohokare shall not, as long as he functions as the Wholetime Director of the Company, become interested or otherwise concerned directly or indirectly in any contract with the Company, as contemplated under sub-section (1) of Section 297 of the Companies Act, 1956 without the prior approval of the Central Government.
9. Mr. Lohokare shall not, except in the proper course of his duties during the continuance of his employment hereunder or any time thereafter, divulge or disclose to any person whomsoever or make any use whatsoever for his own purpose or for any purpose of any information or knowledge obtained by him during his employment, as to the business and/or affairs of the Company and/or the know-how, technology, methods, machines, compositions, knowledge, information and other data, trade secrets, formulae and process of manufacturing of various products by the Company and/or list of Company's customers and suppliers (and likewise in relation to the Company's associated companies) all of which information is or may be confidential with the exception of any information generally made available to the public or make or take copies of the manuals, tracings, blue prints, drawings, books, papers containing such confidential information without proper authority taken prior to making or taking copies, such copies may contain the whole information or substantially similar information from the original manual, tracings, drawings, blue prints, papers, books, etc. Mr. Lohokare shall, during the continuance of his employment hereunder, also use his best endeavours to prevent any other person publishing or disclosing such confidential information, PROVIDED HOWEVER that any such divulgence or disclosures by Mr. Lohokare to officers and employees of the Company solely for the purpose of the business of the Company shall not be deemed to be a contravention of this clause.
10. All notes, books, papers, memoranda and other documents or any trade secrets or confidential information concerning the business of the Company (and the associated companies) which shall be acquired, received or made by Mr. Lohokare during the course of his employment hereunder and/or incidental to his employment, shall be the property of the Company and shall be surrendered by Mr. Lohokare to someone duly authorized in that behalf at the termination of his employment or at the request of the Board (or any other designated persons) at any time during the course of his employment.
11. Mr. Lohokare covenants with the Company that in the event of his ceasing to be the Wholetime Director of the Company hereunder before the expiry of the said period of 5 years, he will not, for the remainder of such period :
 - (i) either alone or jointly with or as an employee of any person, firm or company, directly or indirectly, carry on or engage in any activities or business which shall be in competition with the business of the Company, and
 - (ii) in connection with carrying on any business similar to, or in competition with, the business of the Company, on his behalf or on behalf of any person, firm or Company, directly or indirectly :
 - (a) seek to procure orders or do business with any person, firm or company, who/which has, at any time during the two years immediately preceding such cessation of employment, done business with the Company; or
 - (b) endeavour to entice away from the Company any person who has at any time during the two years immediately preceding such cessation of employment, done business with, or was engaged by the Company. Provided that nothing in this clause shall prohibit seeking or procuring of orders or doing of business not related or similar to the business/businesses of the Company.
12. Mr. Lohokare shall be entitled to reimbursement of all expenses including travelling, entertainment/ business promotion and other out-of-pocket expenses incurred by him in connection with or relating to the business of the Company.
13. If Mr. Lohokare be guilty of any misconduct or any breach of this Agreement as in the opinion of the Board renders his retirement from the office of Wholetime Director desirable, the Company may, by not less than 30 days notice in writing to Mr. Lohokare, determine this Agreement and he shall cease to be a Wholetime Director of the Company upon the expiration of such notice.