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POLYOLEFINS RUBBER CHEMICALS LIMITED

5th Annual Report
2002-2003

AMG
ARVIND MAFATIL GROUP

POLYOLEFINS RUBBER CHEMICALS LIMITED

CONTENTS

| | |
|-------------------------------|----|
| Board of Directors, etc. | 1 |
| Notice | 2 |
| Directors' Report | 15 |
| Auditors' Report | 25 |
| Balance Sheet | 28 |
| Profit and Loss Account | 29 |
| Schedules 1 to 18 | 30 |
| Cash Flow Statement | 42 |

**Fifth Annual General Meeting**

on Monday,

the 29th September, 2003

At 2.30 P.M. at S.N.D.T. Women's University,

Patkar Hall,

1, Nathibai Damodar Thackersey Road,

Churchgate, Mumbai 400 020.

1. Shareholders intending to require information about accounts to be explained in the Meeting are requested to inform the Company at least seven days in advance of the Annual General Meeting.
2. Shareholders are requested to bring their copy of the Annual Report to the Meeting as the practice of handing out copies of the Annual Report at the Annual General Meeting has been discontinued in view of the high cost of paper and printing.

ANNUAL REPORT 2002-2003

BOARD OF DIRECTORS

| | |
|--|---|
| SHRI HRISHIKESH A. MAFATLAL | <i>Chairman & Managing Director</i> |
| SHRI P. N. KAPADIA (w.e.f. 21.01.2003) | <i>Director</i> |
| SHRI VISHAD P. MAFATLAL (w.e.f. 21.01.2003) | <i>Director</i> |
| SHRI A. K. PURI (w.e.f. 21.01.2003) | <i>Director</i> |
| SHRI SUNIL S. LALBHAI (w.e.f. 03.03.2003) | <i>Director</i> |
| SHRI T. M. M. NAMBIAR (w.e.f. 03.03.2003) | <i>Director</i> |
| SHRI A. K. SRIVASTAVA (w.e.f. 21.01.2003) | <i>Finance Director</i> |
| SHRI D. S. UMALKAR (w.e.f. 01.05.2003) | <i>Chief Executive Officer</i> |

COMPANY SECRETARY

SHRI NIRAJ B. MANKAD

BANKERS

STATE BANK OF HYDERABAD

AUDITORS

MESSRS C. C. CHOKSHI & CO.
Chartered Accountants

SOLICITORS :

MESSRS GAGRAT & CO.

REGISTERED OFFICE:

1st floor, Kalpataru Point,
Kamani Marg, Sion (East),
Mumbai 400 022

UNITS :

Navin Fluorine, Surat 395 023. (Gujarat)

Navin Fluorine, Dewas 455 022 (M.P.)

REGISTRAR & SHARE TRANSFER AGENT :

Sharepro Services,
Satam Estate, 3rd Floor,
Above Bank of Baroda, Chakala,
Andheri (East), Mumbai 400 099.

POLYOLEFINS RUBBER CHEMICALS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT the Fifth Annual General Meeting of the Members of the Company will be held on **Monday, SEPTEMBER 29, 2003 at 2.30 P.M. at S.N.D.T Women's University, Patkar Hall, 1, Nathibai Damodar Thackersey Road, Churchgate, MUMBAI 400 020** to transact the following business:

- (1) To consider and adopt the Directors' Report and the audited Profit & Loss Account for the period ended March 31, 2003 and the Balance Sheet as at that date.

- (2) To consider and, if thought fit, to pass the following Resolution, with or without modifications, as a **SPECIAL RESOLUTION** :

"RESOLVED THAT pursuant to Sections 224 and 224-A and other applicable provisions, if any, of the Companies Act, 1956, M/s. C. C. Chokshi & Co., Chartered Accountants, Mumbai, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting on such remuneration as may be fixed by the Board apart from reimbursement of out-of-pocket expenses as may be incurred by them for the purpose of audit."

- (3) To appoint Shri P. N. Kapadia, who was appointed by the Board of Directors of the Company as an additional director on January 21, 2003 and who holds office as such up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has, as required by Section 257 of the Companies Act, 1956, received notices in writing from Members of the Company signifying their intention to propose him as a candidate for the office of the Director of the Company, liable to retire by rotation.
- (4) To appoint Shri V. P. Mafatlal, who was appointed by the Board of Directors of the Company as an additional director on January 21, 2003 and who holds office as such up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has, as required by Section 257 of the Companies Act, 1956, received notices in writing from Members of the Company signifying their intention to propose him as a candidate for the office of the Director of the Company, liable to retire by rotation.
- (5) To appoint Shri A. K. Puri, who was appointed by the Board of Directors of the Company as an additional director on January 21, 2003 and who holds office as such up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has, as required by Section 257 of the Companies Act, 1956, received notices in writing from Members of the Company signifying their intention to propose him as a candidate for the office of the Director of the Company, liable to retire by rotation.
- (6) To appoint Shri A. K. Srivastava, who was appointed by the Board of Directors of the Company as an additional director on January 21, 2003 and who holds office as such up to the date of this Annual General Meeting under Section 260 of the Companies

Act, 1956 and in respect of whom the Company has, as required by Section 257 of the Companies Act, 1956, received notices in writing from Members of the Company signifying their intention to propose him as a candidate for the office of the Director of the Company, liable to retire by rotation.

- (7) To appoint Shri Sunil S. Lalbhai, who was appointed by the Board of Directors of the Company as an additional director on March 3, 2003 and who holds office as such up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has, as required by Section 257 of the Companies Act, 1956, received notices in writing from Members of the Company signifying their intention to propose him as a candidate for the office of the Director of the Company, liable to retire by rotation.
- (8) To appoint Shri T. M. M. Nambiar, who was appointed by the Board of Directors of the Company as an additional director on March 3, 2003 and who holds office as such up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has, as required by Section 257 of the Companies Act, 1956, received notices in writing from Members of the Company signifying their intention to propose him as a candidate for the office of the Director of the Company, liable to retire by rotation.
- (9) To appoint Shri D. S. Umalkar, who was appointed by the Board of Directors of the Company as an additional director w.e.f. May 1, 2003 and who holds office as such up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has, as required by Section 257 of the Companies Act, 1956, received notices in writing from Members of the Company signifying their intention to propose him as a candidate for the office of the Director of the Company, liable to retire by rotation.
- (10) To consider and, if thought fit, to pass the following Resolution, with or without modifications, as a **SPECIAL RESOLUTION** :

"RESOLVED THAT The Articles of Association of the Company be altered in the following manner :

 (i) **Substitute the Article 7 by the following Article** :
 "Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares either out of the un-issued capital or out of the increased share capital then :

 (a) Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as near as circumstances admit, to the capital paid up on those shares at that date.

 (b) Such offer shall be made by a notice specifying the number of shares offered and limiting a time not less than thirty days from the date of the offer

ANNUAL REPORT 2002-2003

and the offer if not accepted, will be deemed to have been declined.

- (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right. PROVIDED THAT the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him.
- (d) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose off them in such manner and to such person(s) as they may think, in their sole discretion, fit."

(II) Insertion of Article 7A after Article 7 :

"7A Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued or loans raised by the Company :

- (i) To convert such debentures or loans into shares in the Company; or
- (ii) To subscribe for shares in the company (whether such option is conferred in these Articles or otherwise).

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term :

- (a) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and
- (b) In the case of debentures or loans other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the debentures or raising of the loans."

(III) Substitution of Article 12 by the following Article :

"12 SHARES AT THE DISPOSAL OF THE DIRECTORS :

Subject to the Provisions of Section 81 of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in

the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call for shares shall not be given by the Company to any person or persons without the sanction of the company in the General Meeting."

(IV) Insertion of the following Article as Article 24 (a) after Article 24 :

"24 (a) LIMITATION OF TIME FOR ISSUE OF CERTIFICATES :

Every member shall be entitled, without payment, to any one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time to determine) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder."

(v) Substitution of Article 25 by the following Article :

"25 ISSUE OF NEW CERTIFICATE IN PLACE OF ONE DEFACED, LOST OR DESTROYED :

If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the company a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide or on payment of such fees

POLYOLEFINS RUBBER CHEMICALS LIMITED

(not exceeding Rs. 2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.

The provisions of this Article shall mutatis mutandis apply to debentures of the Company."

(vi) Insertion of following Article 34 (a) after Article 34 :

"34 (a) INSTRUMENT OF TRANSFER :

The instrument of transfer shall be in writing and all provisions of Section 108 of the Companies Act, 1956 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof."

(vii) Substitution of Article 36 by the following Article :

"36 DIRECTORS MAY REFUSE TO REGISTER TRANSFER :

Subject to the provisions of Section 111A of the Act, the Directors may, at their own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases, the Directors shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of transfer shall not be refused on the grounds of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has a lien on the shares. Transfer of shares/debentures in whatever lot shall not be refused."

(viii) Substitution of Article 44 by the following Article :

"44 NO FEE ON TRANSFER OR TRANSMISSION:

No fee shall be charged for registration of transfer, transmission, probate, succession Certificate and Letters of Administration Certificate of Death or Marriage, Power of Attorney or similar other document."

(ix) Substitution of Article 59 by the following Article :

"59 PAYMENT IN ANTICIPATION OF CALL MAY CARRY INTEREST :

The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company."

(x) Substitution of Article 73 by the following Article:

"73 COMPANY'S LIEN ON SHARE/ DEBENTURES :

The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause."

(xi) Amendment of Article 129 by inserting sub-clause (c) after sub-clause (b):

"(c) The Directors of the Company including Managing or Whole Time Directors shall be paid commission on the net profits of the Company as determined, in accordance with, and subject to the provisions of Section 198 and Section 309 of the Companies Act, 1956. The Board of Directors of the Company will decide the quantum of commission to be paid to the Directors."

ANNUAL REPORT 2002-2003**(xii) Substitution of Article 158 by the following Article :****"158 TERMS OF ISSUE OF DEBENTURES :**

Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution."

(xiii) Substitution of Article 182 by the following Article :**"182 UNPAID OR UNCLAIMED DIVIDEND :**

Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall, within 7 days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called "Unpaid Dividend Account of Polyolefins Rubber Chemicals Limited" and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.

Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund of the Central Government."

(11) To consider and, if thought fit, to pass the following Resolution, with or without modifications, as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 310, 311 and Schedule XIII and other applicable provisions of the Companies Act, 1956, consent of the Company be and is hereby granted to the appointment of Shri H. A. Mafatlal as a Chairman and Managing Director of the Company for a period of 5 years with effect from May 1, 2003 on the terms and conditions as to remuneration as set out in the draft Agreement laid before the meeting, with the liberty and powers to the Board of Directors to increase, alter and vary the salary, commission and perquisites and other terms in such manner as the Board in its absolute discretion deem fit and acceptable to Shri H. A. Mafatlal within the limits specified in Schedule XIII of the Companies Act, 1956 or any amendments, modifications, re-enactments made thereof from time to time by the Government in this behalf."

(12) To consider and, if thought fit, to pass the following Resolution, with or without modifications, as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 310, 311 and Schedule XIII and other applicable provisions of the Companies Act, 1956, consent of the Company be and is hereby granted to the appointment of Shri A. K. Srivastava as a Whole-time Director of the Company designated as Finance Director for a period of 5 years with effect from May 1, 2003 on the terms and conditions as to remuneration as set out in the draft Agreement laid before the meeting and initialled by the Chairman of the meeting for the purpose of identification, with the liberty and powers to the Board of Directors to increase, alter and vary the salary, perquisites and other terms in such manner as the Board in its absolute discretion deem fit and is acceptable to Shri A. K. Srivastava, within the limits specified in Schedule XIII of the Companies Act, 1956 or any amendments, modifications, re-enactments made thereof from time to time by the Government in this behalf."

(13) To consider and, if thought fit, to pass the following Resolution, with or without modifications, as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 310, 311 and Schedule XIII and other applicable provisions of the Companies Act, 1956, consent of the Company be and is hereby granted to the appointment of Shri D. S. Umalkar as a Whole-time Director of the Company designated as Chief Executive Officer for a period of 5 years with effect from May 1, 2003 on the terms and conditions as to remuneration as set out in the draft Agreement laid before the meeting and initialled by the Chairman of the meeting for the purpose of identification, with the liberty and powers to the Board of Directors to increase, alter and vary the salary, commission and perquisites and other terms in such manner as the Board in its absolute discretion deem fit and is acceptable to Shri D. S. Umalkar, within the limits specified in Schedule XIII of the Companies Act, 1956 or any amendments, modifications, re-enactments made thereof from time to time by the Government in this behalf."

(14) To consider and, if thought fit, to pass the following Resolution, with or without modifications, as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to Section 163 and other applicable provisions, if any, of the Companies Act, 1956 the Register of Members, Index of Members, Register and Index of Debenture Holders, if any, in respect of the shares and debentures issued by the Company from time to time, and copies of all Annual Returns prepared under Sections 159 and 160, together with the copies of certificates and documents required to be annexed thereto under Sections 160 and 161, be kept at the Office of the Registrar and Share Transfer Agents of the Company, M/s. Sharepro Services, Satam Estate, 3rd Floor, Above Bank of Baroda, Chakala, Andheri (E), Mumbai 400 099."

POLYOLEFINS RUBBER CHEMICALS LIMITED

- (15) To consider and, if thought fit, to pass the following Resolution, with or without modifications, as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to Section 309 (4) of the Companies Act, 1956, consent of the Company be and is hereby accorded for the payment to the Non-Executive Directors of the Company, commission, as may be decided by the Board of Directors from time to time, at the rate not exceeding 1% of the net profits of the Company computed in the manner laid down in section 198(1) of the Companies Act, 1956 for a period of five years commencing from April 1, 2003."

By Order of the Board,

Regd. Office:
1st floor, Kalpataru Point,
Kamani Marg,
Sion (East), Mumbai 400 022

Niraj B. Mankad
Company Secretary

Mumbai,
Dated: 31st July, 2003

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL AND THAT A PROXY NEED NOT BE A MEMBER.
2. The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of Item Nos. 2 to 15 mentioned in the above Notice is annexed hereto.
3. A copy of the Memorandum & Articles of Association of the Company and the documents as mentioned in the Explanatory Statement are open for inspection of the Members between 2.00 P.M. and 4.00 P.M. on any working day at the Registered Office of the Company.



ANNUAL REPORT 2002-2003**ANNEXURE TO NOTICE**

Explanatory Statement as required by Section 173(2) of the Companies Act, 1956.

In conformity with the provisions of Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out all material facts in respect of Item Nos. 2 to 15 mentioned in the accompanying Notice dated 31st July, 2003.

In respect of Item No. 2

Section 224A of the Companies Act, 1956, provides that in case of a Company in which not less than 25% of the Subscribed Share Capital is held by Public Financial Institutions or any Government or Nationalised Banks or other Financial Institutions referred to therein, such appointment or re-appointment of Auditors shall be made by a Special Resolution. As more than 25% of the Subscribed Share Capital of the Company is held by the Institutions as mentioned above, the Special Resolution is required to be passed for the re-appointment of M/s. C. C. Chokshi & Co., Chartered Accountants, Mumbai.

The Board recommends the re-appointment of M/s. C. C. Chokshi & Co. as the Auditors of the Company.

None of the Directors is concerned or interested in the Resolution.

In respect of Item No. 3

Shri P. N. Kapadia is a renowned Advocate and Solicitor having experience of more than 26 years in Legal field. He is a partner of Gagrut & Co, Advocates & Solicitors, Mumbai.

Shri P. N. Kapadia was appointed by the Board of Directors of the Company as an Additional Director of the Company with effect from January 21, 2003 under Article 127 of the Articles of Association of the Company and under Section 260 of the Companies Act, 1956. He will hold office as an Additional Director up to the date of the ensuing Annual General Meeting. As required under Section 257 of the Companies Act, 1956, notices have been received from Members of the Company, along with a deposit of Rs. 500/- each, signifying their intention to propose Shri P. N. Kapadia as a candidate for the office of Director of the Company, liable to retire by rotation.

The Board recommends his appointment as a Director in the interest of the Company, to utilise his expertise.

None of the Directors, except Shri P. N. Kapadia is concerned or interested in the Resolution.

In respect of Item No. 4

Shri V. P. Mafatlal is an Industrialist having business experience of more than 6 years in Textiles & Chemicals. He is a Bachelor in Science with Economics from University of Pennsylvania, Wharton, U.S.A.

Shri V. P. Mafatlal was appointed by the Board of Directors of the Company as an Additional Director of the Company with effect from January 21, 2003 under Article 127 of the Articles of Association of the Company and under Section 260 of the Companies Act, 1956. He will hold office as an Additional Director up to the date of the ensuing Annual General Meeting. As required under Section 257 of the

Companies Act, 1956, notices have been received from Members of the Company, along with a deposit of Rs. 500/- each, signifying their intention to propose Shri V. P. Mafatlal as a candidate for the office of Director of the Company, liable to retire by rotation.

The Board recommends his appointment as a Director in the interest of the Company, to utilise his expertise.

None of the Directors, except Shri V. P. Mafatlal, is concerned or interested in the Resolution.

In respect of Item No. 5

Shri A. K. Puri holds a Masters Degree in Science and a Bachelors' degree in Law. He is also C.A.I.I.B. He has a vast experience of over forty years in the field of Banking & Finance. He retired as Deputy Managing Director of State Bank of India. He was also a Member of the Hon'ble Board for Industrial & Financial Reconstruction, New Delhi.

Shri A. K. Puri was appointed by the Board of Directors of the Company as an Additional Director of the Company with effect from January 21, 2003 under Article 127 of the Articles of Association of the Company and under Section 260 of the Companies Act, 1956. He will hold office as an Additional Director up to the date of the ensuing Annual General Meeting. As required under Section 257 of the Companies Act, 1956, notices have been received from Members of the Company, along with a deposit of Rs. 500/- each, signifying their intention to propose Shri A. K. Puri as a candidate for the office of Director of the Company, liable to retire by rotation.

The Board recommends his appointment as a Director in the interest of the Company, to utilise his expertise.

None of the Directors, except Shri A. K. Puri, is concerned or interested in the Resolution.

In respect of Item No. 6

Shri A. K. Srivastava is a graduate in Science and a Fellow Member of the Institute of Chartered Accountants of India. He is having over 25 years of experience in the areas of Finance, Accounting, Taxation and Commerce. He has held senior management position in big corporates viz. TISCO and Dunlop India Ltd. Lastly he was Senior Vice-President (Finance) in Mafatlal Industries Limited.

Shri A. K. Srivastava was appointed by the Board of Directors of the Company as an Additional Director of the Company with effect from January 21, 2003 under Article 127 of the Articles of Association of the Company and under Section 260 of the Companies Act, 1956. He will hold office as an Additional Director up to the date of the ensuing Annual General Meeting. As required under Section 257 of the Companies Act, 1956, notices have been received from Members of the Company along with a deposit of Rs. 500/- each, signifying their intention to propose Shri A. K. Srivastava as a candidate for the office of Director of the Company, liable to retire by rotation.

The Board recommends his appointment as a Director in the interest of the Company, to utilise his expertise.

None of the Directors, except Shri A. K. Srivastava, is concerned or interested in the Resolution.

In respect of Item No. 7

Shri Sunil S. Lalbhai is an Industrialist having varied experience of more than twenty years in Chemicals and

POLYOLEFINS RUBBER CHEMICALS LIMITED

General Management. He holds a Bachelors' degree in Science and a Masters' degree in Chemistry from U.S.A. and also a Masters degree in (Economy Planning & Policy) from Boston University, U.S.A. He is the Managing Director & CEO of Atul Limited.

Shri Sunil S. Lalbhai was appointed by the Board of Directors of the Company as an Additional Director of the Company with effect from March 3, 2003 under Article 127 of the Articles of Association of the Company and under Section 260 of the Companies Act, 1956. He will hold office as an Additional Director up to the date of the ensuing Annual General Meeting. As required under Section 257 of the Companies Act, 1956, notices have been received from Members of the Company, along with a deposit of Rs. 500/- each, signifying their intention to propose Shri Sunil S. Lalbhai as a candidate for the office of Director of the Company, liable to retire by rotation.

The Board recommends his appointment as a Director in the interest of the Company, to utilise his expertise.

None of the Directors, except Shri Sunil S. Lalbhai, is concerned or interested in the Resolution.

In respect of Item No. 8

Shri T. M. M. Nambiar holds a Bachelors' degree in Commerce and is a Member of the Institute of Chartered Accountants of India. He is having vast experience of over 40 years. He was associated as President/Chairman/Member of the prestigious institutions like Cement Manufacturers Association, National Council for Cement & Building Materials, Associated Chambers of Commerce & Industry of India, CII, etc. He was associated for more than 26 years with Associated Cement Company Ltd. including 6 years as Managing Director.

Shri T. M. M. Nambiar was appointed by the Board of Directors of the Company as an Additional Director of the Company with effect from March 3, 2003 under Article 127 of the Articles of Association of the Company and under Section 260 of the Companies Act, 1956. He will hold office as an Additional Director up to the date of the ensuing Annual General Meeting. As required under Section 257 of the Companies Act, 1956, notices have been received from Members of the Company, along with a deposit of Rs. 500/- each, signifying their intention to propose Shri T. M. M. Nambiar as a candidate for the office of Director of the Company, liable to retire by rotation.

The Board recommends his appointment as a Director in the interest of the Company, to utilise his expertise.

None of the Directors, except Shri T. M. M. Nambiar, is concerned or interested in the Resolution.

In respect of Item No. 9

Shri D. S. Umalkar holds a Masters' degree in Chemical Engineering. He is having over 17 years of experience in the field of process modernisation and cost optimisation. His expertise in Fluorochemical area has helped Navin Fluorine to become one of the largest supplier of bulk and Speciality Fluorine Chemicals on a global scale based on in-house technology development. Lastly, he was associated with Mafatal Industries Limited as Executive Director (Chemicals Division).

Shri D. S. Umalkar was appointed by the Board of Directors of the Company as an Additional Director of the

Company with effect from May 1, 2003 under Article 127 of the Articles of Association of the Company and under Section 260 of the Companies Act, 1956. He will hold office as an Additional Director up to the date of the ensuing Annual General Meeting. As required under Section 257 of the Companies Act, 1956, notices have been received from Members of the Company along with a deposit of Rs. 500/- each, signifying their intention to propose Shri D. S. Umalkar as a candidate for the office of Director of the Company, liable to retire by rotation.

The Board recommends his appointment as a Director in the interest of the Company, to utilise his expertise.

None of the Directors, except Shri D. S. Umalkar, is concerned or interested in the Resolution.

In respect of Item No. 10

To conform with the requirements of the Listing Agreements and directions given by Stock Exchanges, the Articles of Association of the Company are required to be altered as mentioned in the said resolution.

In order to give remuneration to the Directors by way of commission on the net profits of the Company pursuant to Section 198 & 309, it is desired to amend the Article 129 of the Articles of Association of the Company.

None of the Directors is concerned or interested in the above Resolution, except amendment of Article 129, in which the Directors would be interested to the extent they will be receiving remuneration by way of commission.

A copy of the Memorandum & Articles of Association of the Company is open for inspection to Members between 2.00 P.M. and 4.00 P.M. on any working day at the Registered Office of the Company.

The Board of Directors recommend passing of Special Resolution under Section 31 of the Companies Act, 1956 at item No. 10 of the Notice.

In respect of Item No. 11

Shri H. A. Mafatal is overall incharge of the affairs of the Company. He is 49 years of age and is an Industrialist having diversified experience of more than 25 years in the areas of Textiles, Chemicals, Petrochemicals, Financial Services etc.

The Board of Directors of the Company at their meeting held on April 28, 2003 appointed Shri H. A. Mafatal as the Chairman and Managing Director of the Company for a period of five years from May 1, 2003 subject to the consent of the members of the Company on the following terms and conditions :

TERMS OF REMUNERATION

- I (a) Basic Salary : Rs. 6,00,000/- per annum.
- (b) Perquisites such as fully furnished house or House Rent Allowance, expenditure incurred on gas, electricity, water and furnishing, medical benefits for self and family, Leave Travel Concession, club fees, personal accident insurance and -other allowances not exceeding Rs. 4,50,000/- per annum.

Perquisites shall be valued as per Income-tax Rules, wherever applicable and in the