



Annual Report 2008-09



Sustainable Growth Through Innovation

ARVIND MAFATLAL GROUP
The ethics of excellence

Forward-looking statement

In this Annual Report forward-looking information if any, is for enabling investors to comprehend the prospects of the Company and take informed investment decisions. This report may contain forward-looking statements based on the management's plans and assumptions done in the ordinary course of conducting its business. These statements predominantly use words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in

connection with any discussion of future performance.

There is no certainty that these plans will be realized, although we believe we have been prudent in our assumptions. In addition the achievement of results is subject to risks, uncertainties and inaccuracies in our assumptions. Actual results could be materially different from those anticipated or projected Should known or unknown uncertainties materialize, or should underlying assumptions prove inaccurate.

About us

Vision

Navin Fluorine operates an extensive and diverse fluorochemicals portfolio of specialties, refrigerants and bulk fluorides with strong market presence and exciting prospects

We at **Navin Fluorine**, are committed to be a world-class, customer-focused and innovative organization in the field of fine and specialty chemicals and to be the partner of choice to the chemical, refrigerant, crop and life sciences companies.

Mission and ethics

- To provide the customer value for money by producing world-class specialty fluorochemicals at most competitive costs.
- To make research and development the sustainable engine for the future growth of the organization.
- To innovate, build and operate chemical plants in the most safe and environment-friendly manner.
- To continuously enhance stakeholder value by optimizing resource utilization.
- Ethics of Excellence.

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Cover Page : R & D Centre at Surat Plant

Corporate Information

| | |
|---|-----------------------------|
| Shri A.N. Mafatal | Chairman Emeritus |
| Board of Directors | |
| Shri H.A. Mafatal | Chairman |
| Shri T.M.M. Nambiar | Director |
| Shri P.N. Kapadia | Director |
| Shri S.S. Lalbhai | Director |
| Shri S.M. Kulkarni | Director |
| Shri R. Sankaran | Director |
| Shri V.P. Mafatal | Director |
| Shri S.D. Kalkade (w.e.f. 6.10.2008) | Managing Director |
| Shri A.K. Srivastava | Finance Director |
| Shri S.S. Khanolkar (w.e.f. 1.7.2008) | President - Fluorochemicals |

Company Secretary

Shri N. B. Mankad

Bankers

State Bank of Hyderabad
 AXIS Bank Ltd.
 HDFC Bank Ltd.
 Export Import Bank of India

Auditors

Messers Deloitte Haskins & Sells
 Chartered Accountants

Solicitors

Vigil Juris

Registered Office:

1st floor, Kalpataru Point, Kamani Marg,
 Sion (East), Mumbai 400022
 Tel: 91 22 6650 9999 / 2404 3300
 Fax: 91 22 6650 9800
 E-mail: info@nfil.in
 Website: www.nfil.in

Units

Navin Fluorine, Surat 395023 (Gujarat)
 Navin Fluorine, Dewas 455022 (M.P.)

Registrars & Share Transfer Agent

Sharepro Services (India) Pvt. Ltd.
 Samhita Warehousing Complex, 2nd Floor,
 Gala No. 52 to 56, Bldg. No. 13 A - B,
 Near Sakinaka Telephone Exchange,
 Andheri-Kurla Road, Sakinaka, Mumbai - 400 072
 Tel: 91 22 6772 0300 / 6772 0400
 Fax: 91 22 2859 1568 / 2850 8927
 E-mail: sharepro@shareproservices.com

Investor Relations Centre

912, Raheja Centre, Free Press Journal Road,
 Nariman Point, Mumbai - 400 021.
 Tel: 91 22 6613 4700
 Fax: 91 22 2282 5484
 E-mail: sharepro@shareproservices.com

11th Annual General Meeting

On Monday, the 15th June 2009

At 3.00 p.m. at S.N.D.T. Women's University,
 Patkar Hall, 1, Nathibai Damodar Thackersey Road,
 Churchgate, Mumbai 400020.

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.
3. The Listing Fees for the year 2009-2010 have been paid by the Company to Mumbai, Ahmedabad and National Stock Exchange where the Shares of the Company are listed.

NOTICE

NOTICE IS HEREBY GIVEN THAT the Eleventh Annual General Meeting of the Members of the Company will be held on Monday, the 15th JUNE 2009 at 3.00 p.m. at S.N.D.T, Women's University, Patkar Hall, 1, Nathibai Damodar Thackersey Road, Churchgate, Mumbai 400020, to transact the following business:

- 1) To consider and adopt the Directors' Report, the Audited Financial Statements including Profit and Loss Account for the year ended 31st March 2009 and the Balance Sheet as at that date and the Auditors' Report thereon.
- 2) To confirm the payment of Interim Dividend on Equity Shares for the year 2008-2009 and to declare Final Dividend.
- 3) To appoint a Director in place of Shri S.S. Lalbhai, who retires by rotation, and being eligible, offers himself for reappointment.
- 4) To appoint a Director in place of Shri P.N. Kapadia, who retires by rotation, and being eligible, offers himself for reappointment.
- 5) To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT subject to the provisions of Sections 224, 225 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Deloitte Haskins & Sells, Chartered Accountants, Vadodara, be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as may be fixed by the Board apart from reimbursement of out-of-pocket expenses and applicable taxes, in place of retiring auditors M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai, who retire at the conclusion of the 11th Annual General Meeting of the Company and have expressed their inability to offer themselves for reappointment,"

- 6) To appoint Shri Shekhar Khanolkar, who was appointed by the Board of Directors of the Company as an Additional Director on 1st July 2008 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

some 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 Satish Kakade, who was appointed by the Board of Directors of the Company as an Additional Director on 6th October 2008 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 some 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 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 Shekhar Khanolkar as a Whole Time Director designated as President – Fluorochemicals of the Company for a period of 5 years with effect from 1st July 2008 on the terms and conditions as to remuneration as set out in the appointment letter dated 24th June 2008 and amendment letter dated 30th April 2009 issued to Shri Shekhar Khanolkar subject to the approval of the Members, and placed before this Meeting, with the liberty and powers to the Board of Directors to increase, alter and vary the salary and perquisites and other terms in such manner as the Board in its absolute discretion deems fit and acceptable to Shri Shekhar Khanolkar within the limits specified in Schedule XIII of the Companies Act, 1956 or any amendments, modifications, re-enactments made thereof from time to time in this behalf."

- 9) 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 Satish Kakade as the Managing Director of the Company for a period of 5 years with

effect from 6th October 2008 on the terms and conditions as to remuneration as set out in the appointment letter dated 6th October 2008 and amendment letter dated 30th April 2009 issued to Shri Satish Kakade subject to the approval of the Members, and placed before this 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 deems fit and acceptable to Shri Satish Kakade within the limits specified in Schedule XIII of the Companies Act, 1956 or any amendments, modifications, re-enactments made thereof from time to time in this behalf."

By Order of the Board,

N.B. Mankad
Company Secretary

Regd. Office:

1st floor, Kalpataru Point,
Kamani Marg, Sion (East),
Mumbai 400022.

Mumbai,

Dated: 30th April 2009

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.5 to 9 mentioned in the above Notice is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday the 6th June 2009 to Monday the 15th June 2009 (both days inclusive) for the purpose of payment of dividend, if any.
4. The dividend as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid on or after 18th June 2009.
5. No Director seeking appointment / re-appointment at the Annual General Meeting holds any equity shares in the Company except Shri P.N. Kapadia who holds 1385 equity shares in the Company.
6. Copies of documents mentioned in the Explanatory Statement are open for inspection of the Members between 2.00 p.m. to 4.00 p.m. on any working day at the Registered Office of the Company.

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.5 to 9.

In respect of Item No.5

Presently the Company's accounts are being audited by M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai, who retire as Auditors at the conclusion of the 11th Annual General Meeting of the Company and have expressed their inability to offer themselves for reappointment.

The Company has received a special notice from a Member of the Company, in terms of the provisions of the Companies Act, 1956, signifying his intention to propose the appointment of Deloitte Haskins & Sells, Chartered Accountants, Vadodara, as the Auditors of the Company from the conclusion of the 11th Annual General Meeting till the conclusion of the next Annual General Meeting.

M/s. Deloitte Haskins & Sells, Chartered Accountants, Vadodara have expressed their willingness to act as Auditors of the Company, if appointed, and have also confirmed that the said appointment would be in conformity with the provisions of Section 224 (1B) of the Companies Act, 1956.

In view of the above, and based on the recommendations of the Audit Committee, the Board of Directors, have, at their Meeting held on 30th April 2009 proposed the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, Vadodara, as the Statutory Auditors in place of M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company.

The Board recommends passing of the resolution at Item No.5 for approval by the Members.

None of the Directors of the Company is concerned or interested in the said resolution.

In respect of Item No.6

Shri Shekhar Khanolkar aged 40 years is a B.E., MMS. He has over 16 years of experience in various Indian and multinational organisations of repute within India in the areas of production, marketing etc. He is responsible for bulk and specialty fluorochemicals business and is also responsible for finding new growth opportunities for the Company in specialty chemicals business.

Shri Shekhar Khanolkar was appointed by the Board of Directors of the Company as an Additional Director of the Company w.e.f. 1st July 2008 under Article 127 of the Articles of Association of the Company and 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 some Members of the Company along with a deposit of Rs.500/- each, signifying their intention to propose Shri Shekhar Khanolkar as a candidate for the office of the Director of the Company, liable to retire by rotation.

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

None of the Directors, except Shri Shekhar Khanolkar, is concerned or interested in the said resolution.

In respect of Item No.7

Shri Satish Kakade aged 55 years is a B. Tech in Chemical Engineering from IIT, Mumbai and PGDM from IIM, Ahmedabad. He has 31 years of in-depth experience in Chemical Industry spanning across various MNCs in the areas of projects, production and planning, business development and business management etc.

Shri Satish Kakade was appointed by the Board of Directors of the Company as an Additional Director of the Company w.e.f. 6th October 2008 under Article 127 of the Articles of Association of the Company and 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 some Members of the Company along with a deposit of Rs.500/- each, signifying their intention to propose Shri Satish Kakade as a candidate for the office of the Director of the Company, liable to retire by rotation.

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

None of the Directors, except Shri Satish Kakade, is concerned or interested in the said resolution.

In respect of Item No.8

Shri Shekhar Khanolkar is in charge of the bulk and specialty chemicals business and also responsible for finding new growth opportunities in specialty business. He is 40 years of age and is a B.E, MMS having experience of more than 16 years in the areas of production and marketing.

The Board of Directors of the Company at their meeting held on 23rd June 2008 appointed Shri Shekhar Khanolkar as a Whole Time Director designated as President – Fluorochemicals for a period of five years from 1st July 2008 subject to the consent of the Members of the Company. The Board of Directors at their meeting held on 30th April 2009, revised the remuneration payable to Shri Shekhar Khanolkar with effect from 1st April 2009. The terms and conditions of appointment of Shri Shekhar Khanolkar are as under:

Terms of Remuneration

1 (a) Basic Salary:

Till 31st March 2009 - Rs.1800000/- per annum

With effect from 1st April 2009 – Rs. 1944000 per annum

(b) Perquisites and Allowances, the aggregate monetary value of which shall not exceed

Till 31st March 2009 – Rs.2030000/- per annum.

With effect from 1st April 2009 – Rs.2068800/- per annum

These Perquisites and Allowances would be in addition to the items mentioned in clause 'c', 'd' and 'e' below:

(c) Perquisites:

- i. Fully furnished house or House Rent Allowance in lieu thereof.
- ii. Mediciam Policy, Personal Accident Insurance, Leave Travel Concession and Club Fees as per the rules of the company.

Perquisites shall be valued as per Income-Tax Rules, wherever applicable and in the absence of any such Rules, perquisites shall be valued at actual cost.

(d) He will also be entitled to the following:

- (i) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together, are not taxable under the Income-Tax Act, 1961.
- (ii) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service and
- (iii) Encashment of leave at the end of the tenure.

(e) Apart from remuneration, Shri Shekhar Khanolkar shall be entitled to

- i. Free use of the Company's car for the business of the Company with reimbursement of driver's salary.
- ii. Free telephone facility at residence.
- iii. Reimbursement of expenses actually and properly incurred by him for the business of the Company.

II In the case of absence or inadequacy of profits, in any financial year of the Company during 1st July 2008 to 30th June 2011, Shri Shekhar Khanolkar will be entitled to salary, perquisites and other allowances as the minimum remuneration subject to the limits prescribed in paragraph I(B) of Section II of Part II of Schedule XIII of the Companies Act, 1956. The perquisites mentioned in para I(d) above shall not be included in the computation of the ceiling on minimum remuneration.

The Board may alter or vary the above referred terms of appointment, salary and perquisites including minimum remuneration payable to him in such manner as the Board in its absolute discretion deems fit and acceptable to Shri Shekhar Khanolkar provided that such alterations are within the limits specified in Schedule XIII of the Companies Act, 1956 or any amendments, modifications or re-enactments made thereof from time to time.

Shri Shekhar Khanolkar shall not be entitled to receive sitting fees for attending the meetings of the Board of Directors or any Committee thereof.

A copy of the Letter of Appointment issued to Shri Shekhar Khanolkar, subject to the approval of the Members and the amendment letter dated 30th April 2009, recording the terms of his appointment for a period of five years from 1st July 2008 and referred to in the said resolution is available for inspection by the Members between 2.00 p.m. and 4.00 p.m. on any working day at the Registered Office of the Company.

Other particulars pertaining to the Company which are required to be disclosed as required under Section II of Part II of the said Schedule XIII are given in Annexure 'A' to this Explanatory Statement.

None of the Directors of the Company except Shri Shekhar Khanolkar is concerned or interested in the resolution.

The Notice convening the Annual General Meeting of the Members of the Company, along with the above Explanatory Statement may be treated as an abstract of the terms of the Agreement relating to the appointment of Shri Shekhar Khanolkar as a Whole Time Director as required by Section 302 of the Companies Act, 1956.

The Board of Directors recommend passing of the Special Resolution at item No.8 of the Notice.

In respect of Item No.9

Shri Satish Kakade is overall in-charge of the business of the Company. He is 55 years of age and is a B.Tech in Chemical Engineering from IIT, Mumbai and PGDM from IIM, Ahmedabad having experience of more than 31 years in the Chemical Industry spanning across various MNCs in the areas of project, production and planning, business development and business management etc.

The Board of Directors of the Company at their meeting held on 6th October 2008 appointed Shri Satish Kakade as the Managing Director of the Company for a period of five years from 6th October 2008, subject to the consent of the Members of the Company. The Board of Directors at their meeting held on 30th April 2009, revised the remuneration payable to Shri Satish Kakade with effect from 1st April 2009. The terms and conditions of appointment of Shri Satish Kakade are as under:

Terms of Remuneration

I (a) Basic Salary:

Till 31st March 2009 - Rs.3600000/- per annum

With effect from 1st April 2009 – Rs.3840000/- per annum

(b) Perquisites and Allowances, the aggregate monetary value of which shall not exceed:

Till 31st March 2009 - Rs.628080/- per annum

With effect from 1st April 2009 – Rs.683280/- Per annum

These Perquisites and Allowances would be in addition to the items mentioned in clause 'c', 'd' and 'e' below:

(c) Perquisites:

- i. Fully furnished house or House Rent Allowance in lieu thereof.
- ii. Mediciam Policy, Personal Accident Insurance, Leave Travel Concession and Club Fees as per the rules of the company.

Perquisites shall be valued as per Income-Tax Rules, wherever applicable and in the absence of any such Rules, perquisites shall be valued at actual cost.

(d) He will also be entitled to the following:

- (i) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together, are not taxable under the Income-Tax Act, 1961.
- (ii) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service and
- (iii) Encashment of leave at the end of the tenure.

(e) Apart from remuneration, Shri Satish Kakade shall be entitled to:

- i. Free use of the Company's car for the business of the Company with reimbursement of driver's salary.
- ii. Free telephone facility at residence.
- iii. Reimbursement of expenses actually and properly incurred by him for the business of the Company.

II Commission, up to 1% of the net profit of the Company, at the discretion of the Board, at the end of each financial year, computed in the manner laid down in Section 309(5) of the Companies Act, 1956, subject to the ceiling laid down in Sections 198 and 309 of the Companies Act, 1956 on the total remuneration.

III In the case of absence or inadequacy of profits, in any financial year of the Company during 6th October 2008 to 5th October 2011, Shri Satish Kakade will be entitled to salary, perquisites and other allowances as the minimum remuneration subject to the limits prescribed in paragraph I(B) of Section II of Part II of Schedule XIII of the Companies Act, 1956. The perquisites mentioned in para I(d) above shall not be included in the computation of the ceiling on minimum remuneration.

The Board may alter or vary the above referred terms of appointment, salary, commission and perquisites including minimum remuneration payable to him in such manner as the Board in its absolute discretion deems fit and acceptable to Shri Satish Kakade provided that such alterations are within the limits specified in Schedule XIII of the Companies Act, 1956 or any amendments, modifications or re-enactments made thereof from time to time.

Shri Satish Kakade shall not be entitled to receive sitting fees for attending the meetings of the Board of Directors or any Committee thereof.

A copy of the Letter of Appointment issued of Shri Satish Kakade subject to the approval of the Members and the amendment letter dated 30th April 2009 recording the terms of his appointment for a period of five years from 6th October 2008 and referred to in the said resolution is available for inspection by the Members between 2.00 p.m. and 4.00 p.m. on any working day at the Registered Office of the Company.

Other particulars pertaining to the Company which are required to be disclosed as required under Section II of Part II of the said Schedule XIII are given in Annexure 'A' to this Explanatory Statement.

None of the Directors of the Company except Shri Satish Kakade is concerned or interested in the resolution.

The Notice convening the Annual General Meeting of the Members of the Company, along with the above Explanatory Statement may be treated as an abstract of the terms of the Agreement relating to the appointment of Shri Satish Kakade as the Managing Director of the Company, as required by Section 302 of the Companies Act, 1956.

The Board of Directors recommend passing of the Special Resolution at item No.9 of the Notice.

By Order of the Board,

N.B. Mankad
Company Secretary

Regd. Office:

1st floor, Kalpataru Point,
Kamani Marg, Sion (East),
Mumbai 400022.

Mumbai,

Dated: 30th April 2009

Annexure 'A' to the EXPLANATORY STATEMENT

Statement as required under Section II of Part II of Schedule XIII of the Companies Act, 1956 giving details in respect of appointment of Shri Shekhar Khanolkar and Shri Satish Kakade

I GENERAL INFORMATION:**1. Nature of Industry**

Chemical Industry

2. Date or expected date of commencement of commercial production:

2002-2003 was the first year of operationalisation of the Company. Pursuant to the Rehabilitation Scheme of Mafatlal Industries Limited (MIL) sanctioned by the Hon'ble BIFR vide its Order dated 30th October 2002, the Chemical Business of MIL vested as a going concern in the Company w.e.f. Appointed Date of 1st March 2002.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable

4. Financial performance based on given indicators:

| | Current Year In Rs. lacs | Previous Year In Rs. lacs |
|------------------|-------------------------------------|--------------------------------------|
| Turnover (Net) | 41788.07 | 29096.54 |
| Profit after Tax | 4528.85 | 788.43 |

5. Export performance and net foreign exchange earnings:

| | Current Year In Rs. lacs | Previous Year In Rs. lacs |
|----------------------------------|-------------------------------------|--------------------------------------|
| A) FOB Value of exports | 23583.35 | 11922.21 |
| B) Others | 10.98 | 14.37 |
| C) Net Foreign Exchange Earnings | 13497.97 | 1475.01 |

6. Foreign investments or collaborators, if any

NIL

II INFORMATION ABOUT THE APPOINTEE:**1. Background details:**

Shri Shekhar Khanolkar is 40 years of age and is a B.E., MMS having over 16 years of experience in various Indian and multinational organisations of repute within India in the areas of production, marketing etc.

Shri Satish Kakade is 55 years of age and is a B. Tech in Chemical Engineering from IIT, Mumbai and PGDM from IIM, Ahmedabad having 31 years of in-depth experience in Chemical Industry spanning across various MNCs in the areas of projects, production and planning, business development and business management etc.

2. Past remuneration:

Shri Shekhar Khanolkar had a Basic Salary of Rs.18 lacs p.a. plus perquisites, allowances and other benefits to the tune of Rs.18.61 lacs p.a.

Shri Satish Kakade had a Basic Salary of Rs.20.70 lacs p.a. plus perquisites, allowances and other benefits to the tune of Rs.59.15 lacs p.a.

3. Job profile and suitability:

Shri Shekhar Khanolkar is the President – Fluorochemicals and in-charge of the bulk and specialty chemical business of the Company. Looking at the overall exposure and experience of Shri Shekhar Khanolkar in the areas of production and marketing and the responsibilities to be shouldered by him, he is suitable for the position.

Shri Satish Kakade is the Managing Director and overall in-charge of the business of the Company. Looking at the overall exposure and experience of Shri Satish

Kakade in diversified areas and responsibilities to be shouldered by him, he is suitable for the position.

4. Remuneration proposed:

As mentioned in Explanatory Statement in respect of Item Nos.8 & 9

5. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):

Considering the size of the Company, the industry benchmarks, experience of the appointee and the responsibilities to be shouldered by him, the proposed remuneration is commensurate with the

remuneration paid to similar appointees in other companies.

6. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Besides their proposed remuneration, Shri Shekhar Khanolkar and Shri Satish Kakade do not have any pecuniary relationship with the Company and its managerial personnel.

III OTHER INFORMATION:

1. Reasons of loss or inadequate profits
– Not Applicable
2. Steps taken or proposed to be taken for improvement
– Not Applicable
3. Expected increase in productivity and profits in measurable terms
– Not Applicable

