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Punjab Alkalies & Chemicals Limited
29TH ANNUAL REPORT 2002-03

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Punjab Alkalies & Chemicals Limited

NOTICE

Notice is hereby given that the 28th Annual General Meeting of the Members of Punjab Alkalies & Chemicals Limited will be held in Technical Teachers' Training Institute Auditorium, TTTI Complex, Sector 26, Chandigarh - 160 019 on Saturday, the 20th December, 2003 at 10.30 hours to transact the following business:-

As Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 30th June, 2003 and the Profit and Loss Account for the period ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri J.S. Saraon, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors for the current year and to fix their remuneration and in this connection, to consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution :

"RESOLVED that M/s. S. Tandon & Associates, Chartered Accountants, Chandigarh and M/s. A.K. Sood & Associates, Chartered Accountants, Chandigarh, be and are hereby re-appointed Auditors of the Company from the conclusion of this meeting until the conclusion of the next Annual General Meeting and that their remuneration be fixed by the Board of Directors of the Company."

As Special Business

4. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :
"RESOLVED that Shri Sudhir Mittal, IAS, who was appointed a Director of the Company by the Board of Directors to fill up the casual vacancy caused by the resignation of Shri Yash, Paul Mahajan and who ceases to hold office under Section 262 of the Companies Act, 1956 on the date of this Annual General Meeting, and in respect of whom the Company has received notices in writing from some members pursuant to Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation."

5. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :
"RESOLVED that Dr. Dharmendra Bhandari, who was appointed an Additional Director of the Company by the Board of Directors and who ceases to hold office under Section 260 of the Companies Act, 1956 on the date of this Annual General Meeting, and in respect of whom the Company has received notices in writing from some members pursuant to Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation."

6. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :
"RESOLVED that Shri S.K. Sandhu, IAS, who was appointed an Additional Director of the Company by the Board of Directors and who ceases to hold office under Section 260 of the Companies Act, 1956 on the date of this Annual General Meeting, and in respect of whom the Company has received notices in writing from some members pursuant to Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation."

7. To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution :
"RESOLVED that subject to the provisions of the Securities Contracts (Regulation) Act, 1956, Listing Agreements with the Stock Exchanges, the Securities and Exchange Board of India (Delisting of Securities) Guidelines-2003, other Rules, Regulations and Guidelines of the Securities and Exchange Board of India and all other applicable Laws, Rules, Regulations and Guidelines and subject to such approvals, permissions and sanctions as may be required, approval be and is hereby accorded for getting the voluntary delisting of the Equity Shares of the Company from The Stock Exchange, Ahmedabad, The Delhi Stock Exchange Association Limited and The Ludhiana Stock Exchange Association Limited.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to get the voluntary delisting of the Equity Shares of the Company from the said Stock Exchanges and to do all acts, deeds and things as may be necessary to resolve any difficulty and give effect to this resolution."

By Order of the Board of Directors

Registered Office:
S.C.O.125-127,
Sector 17-B,
Chandigarh-160 017

Dated : October 28, 2003

Sd/-
(PRADEEP NAUHARIA)
Company Secretary &
Gen. Manager (Co.Affairs)

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY (BLANK FORM ENCLOSED) DULY STAMPED, COMPLETED AND SIGNED SHOULD, HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of business at item Nos. 4 to 7 is annexed. The relevant details of the Directors proposed to be appointed/re-appointed at the Annual General Meeting, pursuant to Clause 49 of the Listing Agreement, are also annexed.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 9th December, 2003 to 20th December, 2003 (both days inclusive).
4. Members who have not yet paid the Allotment Money on their new equity shares are requested to remit the same together with interest @ 18% per annum from 16.6.1994 till the date of payment at the earliest.
5. The unclaimed Dividends for the years 1989-90, 1990-91, 1991-92, 1992-93, 1993-94 and 1994-95 have been transferred to the General Revenue Account of the Central Government in terms of Section 205A of the Companies Act, 1956. Members who have not claimed their Dividends for the said years are requested to claim the same from the Registrar of Companies, Punjab, H.P. & Chandigarh, 286, Defence Colony, Garha Road, Jalandhar City - 144 001. The unclaimed Dividend for the year 1995-96 is in the process of being transferred to the Investor Education and Protection Fund established by the Central Government in terms of Section 205A read with Section 205C of the Companies Act, 1956. Members who have not encashed their Dividend Warrants for the year 1996-97 are requested to forward the same to the Company for revalidation.
6. Members are requested to notify immediately changes, if any, in their registered address to the Company specifying full address in Block Capitals with PIN Code of the Post Office.
7. Members are requested to bring with them the attendance slip sent with the Annual Report duly completed and signed and hand it over at the entrance.
8. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
9. Members are requested to bring their copy of the Annual Report alongwith them to the Annual General Meeting.

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

ITEM NO. 4

Shri Sudhir Mital, IAS was appointed a Director of the Company on 26th June, 2002 by the Board of Directors to fill up the casual vacancy caused by the resignation of Shri Yash Paul Mahajan. Under the provisions of Section 262 of the Companies Act, 1956 Shri Sudhir Mital holds office till the date of the ensuing Annual General Meeting. The Company has received notices in writing from some members pursuant to Section 257 of the Companies Act, 1956, signifying their intention to propose at the ensuing Annual General Meeting, his appointment as a Director.

Shri Sudhir Mital has done M.A. (History) from the Allahabad University and belongs to the Indian Administrative Service. He has about 25 years of rich and varied administrative and managerial experience including in senior positions like Managing Director, Punjab Financial Corporation, Chairman, Punjab State Electricity Board, etc. At present he is Joint Secretary, Ministry of Environment and Forests, Government of India. The Directors consider it desirable that the Company should continue to avail itself of his services.

The Directors recommend the Resolution for the approval of the members.

None of the Directors, is in any way, concerned or interested in the Resolution excepting Shri Sudhir Mital.

ITEM NO. 5

The IFCI Limited (IFCI) had nominated Dr. Dharmendra Bhandari as its nominee on the Board of Directors of the Company and had advised the Company to co-opt him on the Board of Directors. Accordingly, Dr. Dharmendra Bhandari was appointed an Additional Director of the Company on 27th August, 2003 by the Board of Directors. Under the provisions of Section 260 of the Companies Act, 1956 he holds office till the date of the ensuing Annual General Meeting. He is however eligible for reappointment. The Company has received notices in writing from some members pursuant to Section 257 of the Companies Act, 1956, signifying their intention to propose at the ensuing Annual General Meeting, his appointment as a Director.

Dr. Dharmendra Bhandari is a Fellow Member of the Institute of Chartered Accountants of India and has done Ph.D. from the University of Rajasthan, Jaipur. He has about 23 years of rich academic and professional experience in the field of

Punjab Alkalies & Chemicals Limited

Finance. The Directors consider it desirable that the Company should continue to avail itself of his services.

The Directors recommend the Resolution for the approval of the members.

None of the Directors, is in any way, concerned or interested in the Resolution excepting Dr. Dharmendra Bhandari.

ITEM NO. 6

Shri S.K. Sandhu, IAS was appointed an Additional Director of the Company on 27th August, 2003 by the Board of Directors. Under the provisions of Section 260 of the Companies Act, 1956 he holds office till the date of the ensuing Annual General Meeting. He is however eligible for reappointment. The Company has received notices in writing from some members pursuant to Section 257 of the Companies Act, 1956, signifying their intention to propose at the ensuing Annual General Meeting, his appointment as a Director.

Shri S.K. Sandhu has done B.E. (Mech.) from the Punjab Engineering College, Chandigarh and belongs to the Indian Administrative Service. He has about 19 years of rich and varied administrative experience. At present, he is Secretary and Director, Department of Industries & Commerce, Government of Punjab. The Directors consider it desirable that the Company should continue to avail itself of his services.

The Directors recommend the Resolution for the approval of the members.

None of the Directors, is in any way, concerned or interested in the Resolution excepting Shri S.K. Sandhu.

ITEM NO. 7

The Equity Shares of the Company are presently listed on The Stock Exchange, Mumbai, The Stock Exchange, Ahmedabad, The Delhi Stock Exchange Association Limited and The Ludhiana Stock Exchange Association Limited.

The Securities and Exchange Board of India (SEBI) has notified the Securities and Exchange Board of India (Delisting of Securities) Guidelines-2003. Under the said Guidelines, a company can seek voluntary delisting of its securities from any Stock Exchange and an exit opportunity need not be given in cases where such securities continue to be listed on a Stock Exchange having nationwide trading terminals i.e. The Stock Exchange, Mumbai (BSE), the National Stock Exchange (NSE) and any other stock exchange, which may be specified by SEBI in this regard. With the extensive networking of BSE and the extension of BSE terminals to other cities, members of the Company and other investors have access to online dealings in the Company's Equity Shares across the Country. The trading in the Equity Shares of the Company on the above Stock Exchanges is permitted only in Dematerialised Mode w.e.f. 24th July, 2000 due to SEBI's directive. The bulk of dealings in Company's Equity Shares take place on BSE and the trading volumes of the Company's Equity Shares on The Stock Exchange, Ahmedabad, The Delhi Stock Exchange Association Limited and The Ludhiana Stock Exchange Association Limited have been negligible in the recent past. The continued listing with these Stock Exchanges does not provide any significant tangible advantage to the members of the Company. Therefore, it is proposed to get the voluntary delisting of the Equity Shares of the Company from The Stock Exchange, Ahmedabad, The Delhi Stock Exchange Association Limited and The Ludhiana Stock Exchange Association Limited. The Company's Equity Shares will continue to be listed on The Stock Exchange, Mumbai after the proposed delisting.

The approval of the members is sought for getting the voluntary delisting of the Equity Shares of the Company from The Stock Exchange, Ahmedabad, The Delhi Stock Exchange Association Limited and The Ludhiana Stock Exchange Association Limited.

The Directors recommend the Resolution for the approval of the members.

None of the Directors, is in any way, concerned or interested in the Resolution.

By Order of the Board of Directors

Registered Office:
S.C.O.125-127,
Sector 17-B,
Chandigarh-160 017

Dated : October 28, 2003

Sd/-
(PRADEEP NAUHARIA)
Company Secretary &
Gen. Manager (Co. Affairs)

ANNEXURE TO NOTICE

Details of the Directors proposed to be appointed/re-appointed at the 28th Annual General Meeting on 20th December, 2003
(Pursuant to Clause 49 of the Listing Agreement)

| Name of the Director | Shri J.S. Saroon | Shri Sudhir Mittal, IAS | Dr. Dharmendra Bhandari | Shri S.K. Sandhu, IAS |
|---|---|--|--|---|
| Date of Birth | 11th January, 1927 | 11th November, 1953 | 15th September, 1956 | 23rd May, 1959 |
| Date of Appointment | 30th November, 1987 | 26th June, 2002 | 27th August, 2003 | 27th August, 2003 |
| Qualifications | M.Com., LL.B., P.G.D. Pub. Admn., Dip. Industrial Management | M.A. (History) | F.C.A., Ph.D. | B.E. (Mech.) |
| Expertise in specific functional areas | Human Resources and General Management Consultancy | Indian Administrative Service Officer- General Management and Administration | Finance | Indian Administrative Service Officer- General Management and Administration |
| Directorships of other Companies as on 28th October, 2003 | - | - | Director Birla Corporation Limited Lakshmi Precision Screws Limited Indfund Management Limited | Director Punjab Information & Technology Corporation Limited Punjab State Industrial Development Corporation Limited Punjab Small Industries & Export Corporation Limited Punjab Financial Corporation |
| Chairmanships/ Memberships of the Committees of the Board of Companies as on 28th October, 2003 | <u>Punjab Alkalies & Chemicals Limited</u> Audit Committee - Member Shareholders/Investors - Member Grievance Committee Captive Power Generation - Member Project Committee PACL Corporate Office - Member Building Committee Share Transfer Committee - Member | - | <u>Lakshmi Precision Screws Limited</u> Audit Committee - Member <u>Indfund Management Limited</u> Audit Committee - Member | <u>Punjab Small Industries & Export Corporation Limited</u> Personnel and Administration - Member Committee <u>Punjab Financial Corporation</u> Executive Committee - Member |

(iv)

DP Id.* : _____

Folio No. : _____

Client Id.* : _____

No. of Shares : _____



Punjab Alkalies & Chemicals Limited

Registered Office : S.C.O. 125-127, Sector 17-B, Chandigarh-160 017

PROXY FORM

I/We _____ of _____
in the district of _____
being a member/

members of Punjab Alkalies & Chemicals Limited hereby appoint _____
of _____

in the district of _____ or failing him
of _____

in the district of _____
as my/our proxy to vote for me/us on my/our behalf at the 28th Annual General Meeting of the Company to be held on
20th day of December, 2003 and at any adjournment thereof.

Signed this _____ day of _____ 2003

Signature _____

Revenue
Stamp
30 Paise

Address _____

- Notes :**
1. The Proxy need NOT be a member.
 2. The Proxy Form duly signed across revenue stamp should reach the Company's Registered Office at least 48 hours before the time of the meeting.
- * Applicable in case of members holding shares in electronic form.



Punjab Alkalies & Chemicals Limited

Registered Office : S.C.O. 125-127, Sector 17-B, Chandigarh-160 017

ATTENDANCE SLIP

I hereby record my presence at the 28th Annual General Meeting of Punjab Alkalies & Chemicals Limited at Technical Teachers' Training Institute Auditorium, TTTI Complex, Sector 26, Chandigarh-160 019 on Saturday, the 20th day of December, 2003 at 10.30 hours.

1. Full Name of the Member : _____
(in Block Letters)
- *2. Full Name of the Proxy : _____
(in Block Letters)
3. Ledger Folio No. : _____ / DP Id.** : _____ Client Id.** : _____
4. Number of shares held : _____
5. Signature of the Member/Proxy attending : _____

* To be filled in if the Proxy attends instead of the Member(s)
** Applicable in case of members holding shares in electronic form.

To be used only when Member First Named is not attending :

Please give full name of the first holder
Mr./Mrs./Miss _____

- Notes :**
1. Members attending the meeting must fill in this attendance slip and hand it over at the Entrance of the venue of the Meeting.
 2. Members are requested to bring their copy of the Annual Report for the Meeting.

Punjab Alkalies & Chemicals Limited

BOARD OF DIRECTORS

Shri S.C. Agrawal, IAS, Chairman
 Shri Viswajeet Khanna, IAS
 Shri Sudhir Mital, IAS
 Shri S.K. Sandhu, IAS
 Shri S.K. Sharma
 Shri J.S. Saraon
 Shri D.C. Mehandru
 Shri T. Chakravorty (IDBI Nominee)
 Dr. Dharmendra Bhandari (IFCI Nominee)
 Shri Jagpal Singh, IAS, Managing Director

COMPANY SECRETARY

Shri Pradeep Nauharla

BANKERS

Punjab National Bank
 Punjab & Sind Bank

AUDITORS

M/s. S. Tandon & Associates,
 Chartered Accountants,
 S.C.O. 201-203, 3rd Floor, Sector 34-B,
 Chandigarh - 160 022

M/s. A.K. Sood & Associates,
 Chartered Accountants,
 S.C.O. 50-51, IInd Floor, Sector 17-A,
 Chandigarh - 160 017

INTERNAL AUDITORS

M/s. Ashwani & Associates,
 Chartered Accountants,
 19-A, Udham Singh Nagar,
 Civil Lines,
 Ludhiana-141 001

REGISTERED OFFICE

S.C.O. 125-127, Sector 17-B,
 Chandigarh-160 017

WORKS

Nangal-Una Road,
 Naya Nangal-140 126
 Distt. Ropar, Punjab



DIRECTORS' REPORT

Your Directors submit their 28th Annual Report together with the Audited Accounts for the financial year ended 30th June, 2003. The Company has extended the financial year 2002-03 by a period of three months and accordingly the Company has closed its accounts for the fifteen months period ended 30th June, 2003.

Financial Results

The financial results of the Company for the financial year ended 30th June, 2003 are summarised below :-

| | (Rs. in crores) | |
|---|------------------------|------------------------|
| | 2002-03 (15 months) | 2001-02 (12 months) |
| Sales Turnover & Other Income | 209.70 | 164.10 |
| Total Expenditure excluding Finance Charges and Depreciation | 196.55 | 147.22 |
| Profit before Finance Charges and Depreciation | 13.15 | 16.88 |
| Finance Charges | 25.93 | 22.63 |
| Cash Loss | 12.78 | 5.75 |
| Depreciation, etc. | 14.84 | 11.47 |
| Net Loss | 27.62 | 17.22 |

Your Directors report that the financial year-2002-03 has been a tough year as the Company's operations remained under severe pressure caused by excess capacity and imbalance in demand and supply in Chlor- Alkali Industry due to cheaper imports and lack of any discernible recovery in Paper and other consuming industries. The combined realisations on Caustic Soda and related products continued to be under tremendous strain. The combined average realisation went down to Rs.21,800 per Electro-Chemical Unit (ECU) as compared to Rs.22,450 per ECU in the preceding year. The Punjab State Electricity Board announced two successive hikes in the power tariff w.e.f. 1st August, 2002 and 1st May, 2003, respectively, which further burdened the Company to the extent of about Rs.8.80 crores. The depressed combined average realisation and high power and interest costs, coupled with increase in some other input costs resulted in a Net Loss of Rs.27.62 crores on a Turnover of Rs.209.70 crores in the financial year under review.

The Company has become a Sick Industrial Company within the meaning of Section 3 (1) (o) of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) and a reference has been made to the Board for Industrial and Financial Reconstruction under Section 15 (1) of the SICA.

Finance

The Company continued with its efforts for restructuring of its debt liabilities, which resulted in reduction in rate of interest and reschedulement. The Corporate Debt Restructuring (CDR) Empowered Group of CDR Cell had sanctioned a Restructuring Package for the Company under which the debt liabilities of the Company were restructured. The Company had filed an Appeal before the CDR Core Group against the decision of CDR Empowered Group regarding some of the conditions stipulated in the said Restructuring Package. Subsequently, at the instance of the lead financial institution, Industrial Development Bank of India (IDBI), the Company had submitted a modified restructuring proposal to IDBI. The said Appeal is pending.

Unclaimed deposits as on 25th June, 2002 amounted to Rs.4.75 lacs in respect of 199 depositors and this amount has been transferred to the Investor Education and Protection Fund under the provisions of Section 205C of the Companies Act, 1956. During the financial year under review, the Company did not raise funds by way of fixed deposits.

Current Operations and Outlook

The operations of the Company in the first quarter ended 30th September, 2003 of the financial year 2003-04 have shown encouraging signs with the combined average realisation going up to Rs.24,050 per ECU resulting in a Net Profit of Rs.1.13 crores as against a Net Loss of Rs.3.77 crores during the

Punjab Alkalies & Chemicals Limited

corresponding period in the last year. The Company posted a Cash Profit of Rs.4.10 crores in this period as against a Cash Loss of Rs.0.92 crore in the corresponding period in the preceding year. The Directors are cautiously optimistic that such a recovery will continue.

The Company is making continuous efforts to reduce costs. Power constitutes about 60% of the cost of production. The Government of Punjab has notified its new Industrial Policy-2003 in March, 2003 under which the industrial units in Punjab can import bulk power from any other source on the terms and conditions approved by the Punjab State Electricity Regulatory Commission. The recently enacted Electricity Act, 2003, inter-alia, envisages introduction by the State Electricity Regulatory Commission of open access to consumers in such phases and subject to such conditions as it may specify. The Company has filed a Petition before the Punjab State Electricity Regulatory Commission for allowing the Company to import power from other cheaper sources outside the State of Punjab. Financial cost is the other major cost for the Company. As indicated earlier, the Company is continuing its efforts for restructuring of its debt liabilities to reduce its interest burden. The Directors feel that the fruition of the Company's efforts for reduction of these two major costs will result in substantial savings for the Company.

Environment and Energy Conservation

The Company is aware of its obligations to carry out its operations in an environment-friendly fashion. In pursuance of this objective, the Company has taken appropriate pollution control and safety measures. An environmental audit and a safety audit of the Plants were got conducted.

The Company continues to place a great emphasis on energy conservation. The information required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is given in Annexure-I forming a part of this report.

Listing

The Equity Shares of the Company are listed on the Ludhiana, Delhi, Mumbai and Ahmedabad Stock Exchanges. The Annual listing fee for the year 2003-04 has been paid to these Stock Exchanges.

Human Resources

The Company continues to develop and upgrade the skills of its human resources. Industrial relations remained cordial.

During the financial year ended 30th June, 2003, there was no employee of the Company whose particulars need to be included in this report under Section 217(2A) of the Companies Act, 1956.

Corporate Governance

The Management Discussion and Analysis Report for the financial year 2002-03 required in terms of Clause 49 of the Listing Agreements with the Stock Exchanges, is annexed herewith as Annexure - II forming a part of this report. The Corporate Governance Report for the financial year 2002-03 and Auditors' Certificate regarding compliance of conditions of Corporate Governance, required in terms of Clause 49 of the Listing Agreements with the Stock Exchanges, are also annexed.

Directors

The Punjab State Industrial Development Corporation Limited (PSIDC) nominated Shri K.R. Lakhanpal, IAS as Director and Chairman of the Company vice Shri Mukul Joshi, IAS w.e.f. 10th February, 2003 and thereafter again Shri Mukul Joshi as Director and Chairman of the Company vice Shri K.R. Lakhanpal w.e.f. 16th April, 2003 and subsequently Shri S.C. Agrawal, IAS as Director and Chairman of the Company vice Shri Mukul Joshi w.e.f. 12th May, 2003. The Directors wish to place on record their deep appreciation of the valuable guidance provided by Shri Mukul Joshi and Shri K.R. Lakhanpal.

The PSIDC nominated Shri Raj Kumar as its Nominee Director on the Board of Directors of the Company in place of Shri Viswajeet Khanna, IAS w.e.f. 20th June, 2003 and subsequently again Shri Viswajeet Khanna as its Nominee Director on the Board of Directors of the Company in place of Shri Raj Kumar w.e.f. 1st July, 2003.

The IFCI Limited (IFCI) had nominated Shri Y.P. Gupta as its Nominee on the Board of Directors of the Company in place of Shri S.P. Gupta and had advised the Company to co-opt him on the Board of Directors. Shri S.P. Gupta resigned as a Director of the Company w.e.f. 11th October, 2002. Accordingly, the Board had appointed Shri Y.P. Gupta as Additional Director of the Company on 25th October, 2002. Shri Y.P. Gupta resigned as a Director of the Company w.e.f. 27th March, 2003. The IFCI had subsequently nominated Dr. Dharmendra Bhandari as its Nominee on the Board of Directors of the Company and had advised the Company to co-opt him on the Board of Directors. Accordingly, the Board