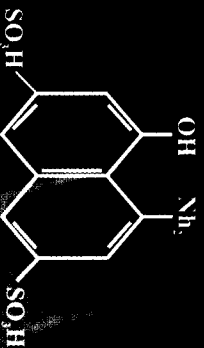
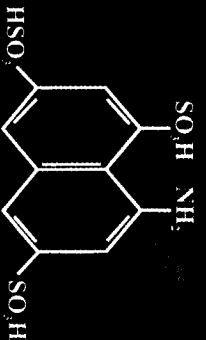
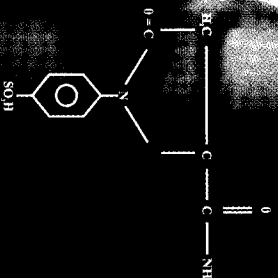


20th Annual Report 2006-2007



DYES & INTERMEDIATES



SHREE HARI CHEMICALS EXPORT LTD.

20th ANNUAL REPORT**SHREE HARI CHEMICALS EXPORT LIMITED****BOARD OF DIRECTORS**

Shri R. R. Agarwal
 Shri K. L. Ramuka
 Shri B. C. Agrawal
 Shri K. C. Ramuka
 Shri S. K. Sultania
 Shri V. N. Gupta
 Shri A. M. Kanodia
 Shri A. D. Chirania

Whole Time Director
Chairman & Executive Director
Managing Director
Whole Time Director
Director
Director
Director
Director

BANKERS**STATE BANK OF INDIA**

Backbay Reclamation Branch,
 Raheja Chambers, Nariman Point,
 MUMBAI - 400 021.

AUDITORS**KAILASH CHAND JAIN & CO.**

Chartered Accountants
 MUMBAI.

REGD. OFFICE & WORKS

A/8, M.I.D.C. Indl. Area,
MAHAD, Dist. Raigad
 (Maharashtra)

ADMINISTRATIVE OFFICE

103/104, Unique Tower,
 Near Kamat Club,
 S. V. Road, Goregaon (W),
 MUMBAI - 400 062.

REGISTRAR & SHARE TRANSFER AGENTS**MONDKAR COMPUTERS PVT. LTD.**

21, Shakil Niwas, Mahakali Caves Road,
 Andheri (E), MUMBAI 400093.

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SHREE HARI CHEMICALS EXPORT LTD.**SHREE HARI CHEMICALS EXPORT LIMITED****Regd. Office:** A/8, M.I.D.C. Industrial Area, Mahad, Dist. Raigad (Maharashtra)**NOTICE**

Notice is hereby given that the **TWENTIETH** Annual General Meeting of the members of **SHREE HARI CHEMICALS EXPORT LIMITED** be held at A/8, M.I.D.C. Industrial Area, Mahad, Dist. Raigad (Maharashtra) on Wednesday, September 26, 2007 at 1.00 p.m. to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2007 and the Profit and Loss Account for the year ended on that date and the Directors' and Auditors' Reports thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri Kailash Chand Ramuka who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Shri Santosh Kumar Sultania who retires by rotation and is eligible for reappointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

- 6 To consider and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 309, 310 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 and subject to such other approvals as may be necessary the company hereby approves the revision in the remuneration payable to Shri Kishori Lal Ramuka, Chairman & Executive Director of the company for the remaining period of his tenure with effect from 1st October 2006 upto 30th September 2009 as approved by the remuneration committee and as set out in the explanatory statement with liberty to the Board of Directors of the Company to alter or vary and modify the terms and conditions of the said remuneration so as not to exceed the limits specified in the Schedule XIII of the Companies Act, 1956 or any amendment thereto as may be agreed between the Board and Shri Kishori Lal Ramuka.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company during Shri Kishori Lal Ramuka's term of office as Executive Director the remuneration payable to him shall be as per the minimum remuneration prescribed in Schedule XIII of the Act and that he shall be entitled to all other benefits and perquisites set out in the Explanatory Statement as the minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, matters, deeds and things and to take such steps as expedient or desirable to give effect to this resolution".

7. To consider and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 309, 310 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 and subject to such other approvals as may be necessary the company hereby approves the revision in the remuneration payable to Shri Bankesh Chandra Agrawal, Managing Director, of the company for the remaining period of his tenure with effect from 1st October 2006 upto 30th September 2009 as approved by the remuneration committee and as set out in the explanatory statement with liberty to the Board of Directors of the Company to alter or vary and modify the terms and conditions of the said remuneration so as not to exceed the limits specified in the Schedule XIII of the Companies Act, 1956 or any amendment thereto as may be agreed between the Board and Shri Bankesh Chandra Agrawal.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company during Shri Bankesh Chandra Agrawal's term of office as Managing Director the remuneration payable to him shall be as per the minimum remuneration prescribed in Schedule XIII of the Act and that he shall be entitled to all other benefits and perquisites set out in the Explanatory Statement as the minimum remuneration.

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RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, matters, deeds and things and to take such steps as expedient or desirable to give effect to this resolution".

8. To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, of the Companies Act, 1956 and subject to such other approvals as may be necessary, the Company hereby approves the appointment of Shri Kailash Chand Ramuka as Wholetime Director of the Company for a period of five years with effect from April 01, 2007 on the terms and conditions including the terms as to remuneration approved by the remuneration committee and set out in the explanatory statement with liberty to the Board of Directors of the Company to alter or vary and modify the terms and conditions of the said appointment and remuneration so as the remuneration not to exceed the limits specified in Schedule XIII of the Companies Act, 1956 or any amendment thereto as may be agreed between the Board and Shri Kailash Chand Ramuka.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company during Shri Kailash Chand Ramuka's term of office as Wholetime Director the remuneration payable to him shall be as per the minimum remuneration prescribed in Schedule XIII of the Act and that he shall be entitled to all other benefits and perquisites set out in the Explanatory Statement as the minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, matters, deeds and things and to take such steps as expedient or desirable to give effect to this resolution".

9. To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, of the Companies Act, 1956 and subject to such other approvals as may be necessary, the Company hereby approves the appointment of Shri Ramu Raman Agarwal as Wholetime Director of the Company for a period of five years with effect from April 01, 2007 on the terms and conditions including the terms as to remuneration approved by the remuneration committee and set out in the explanatory statement with liberty to the Board of Directors of the Company to alter or vary and modify the terms and conditions of the said appointment and remuneration so as the remuneration not to exceed the limits specified in Schedule XIII of the Companies Act, 1956 or any amendment thereto as may be agreed between the Board and Shri Ramu Raman Agarwal.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company during Shri Ramu Raman Agarwal's term of office as Wholetime Director the remuneration payable to him shall be as per the minimum remuneration prescribed in Schedule XIII of the Act and that he shall be entitled to all other benefits and perquisites set out in the Explanatory Statement as the minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, matters, deeds and things and to take such steps as expedient or desirable to give effect to this resolution".

10. To consider and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act 1956 and subject to the approval of the concerned authorities, if required, the consent of the Company be and is hereby accorded to Shri Anup Ramuka, relative of directors of the company to hold with effect from April 01, 2007 and continue to hold an office or place of profit in the Company on a monthly remuneration of Rs. 45,000/- (Rupees Forty five thousand) including all perquisites and amenities.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do such acts, matters, deeds and things in order to give effect to the above resolution".

SHREE HARI CHEMICALS EXPORT LTD.

11. To consider and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act 1956 and subject to the approval of the concerned authorities, if required, the consent of the Company be and is hereby accorded to Shri Manoj Agarwal, relative of directors of the company to hold with effect from April 01, 2007 and continue to hold an office or place of profit in the Company on a monthly remuneration of Rs. 45,000/- (Rupees Forty five thousand) including all perquisites and amenities.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do such acts, matters, deeds and things in order to give effect to the above resolution".

12. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the company of Rs. 5,00,00,000 (Rupees Five Crores) divided into 49,95,000 (Forty Nine Lacs Ninety Five Thousand) Equity shares of Rs.10/- (Rupees Ten Only) each and 500 (Five Hundred) Preference Shares of Rs.100/- (Rupees Hundred Only) each be and is hereby increased to Rs. 10,00,00,000 (Rupees Ten Crores Only) and be reclassified and divided into 1,00,00,000 (One crore) Equity shares of Rs.10/- (Rupees Ten Only) each that Clause V of the Memorandum of Association of the Company be altered accordingly".

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

"RESOLVED THAT pursuant to Section 31 of the Companies Act, 1956 the Articles of Association of the Company be and are hereby altered by substituting the following Article as Article 4 in place of present Article 4 thereof:

4. The authorized share capital of the company is Rs 10,00,00,000/-(Rupees Ten crores only) divided into 1,00,00,000 (One Crore) Equity shares of Rs.10/- (Rupees Ten Only) each with the power to increase, consolidate, decrease or divide in accordance with the regulations of the company and the legislative provisions for the time being in force in that behalf and with power to divide the shares in the capital for time being into equity shares capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions".

14 To consider and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution

"RESOLVED THAT pursuant to the provisions of Section 81 and all other applicable provisions, of the Companies Act, 1956 and the relevant guidelines of the Securities and Exchange Board of India (SEBI) and other authorities as may be required in respect of Preferential Issue of Shares and the enabling provisions in the Memorandum and Articles of Association of the Company and the Listing agreement entered into by the Company with the Stock Exchanges and subject to the approval of all other concerned authorities to the extent necessary and the conditions and modifications as may be prescribed or imposed by any of them in granting such approvals, permissions and sanctions which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as the "Board") and/ or duly appointed committee of the Board authorised to exercise the relevant powers conferred by the Board, the consent of the Company be and is hereby accorded to the Board/Committee to offer, issue and allot 2,85,000 zero percent convertible warrants of Rs. 37/- per warrant convertible into equal number of equity shares of Rs. 10/- each at a premium of Rs. 27/- per share in accordance with the Preferential Issue Guidelines issued by SEBI to the Promoters and promoters group as specified in the Explanatory Statement on such terms and conditions as the Board may in its absolute discretion think fit, with power to settle details as to the form, terms and conditions of issue, allotment, conversion period and to accept any modifications in the terms and conditions, including dividend, tenor, etc.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board/ Committee be and is hereby authorised to do all the things necessary for the purpose of above issue of Zero Percent Convertible Warrants and to take such action or give such directions as may be necessary or desirable and to settle all matters that may arise in regard to the issue and allotment of the Zero Percent Convertible Warrants.

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15. To consider and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution

"RESOLVED THAT pursuant to the provisions of Section 81 and all other applicable provisions, of the Companies Act, 1956 and the relevant guidelines of the Securities and Exchange Board of India (SEBI) and other authorities as may be required in respect of Preferential Issue of Shares and the enabling provisions in the Memorandum and Articles of Association of the Company and the Listing agreement entered into by the Company with the Stock Exchanges and subject to the approval of all other concerned authorities to the extent necessary and the conditions and modifications as may be prescribed or imposed by any of them in granting such approvals, permissions and sanctions which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as the "Board") and/ or duly appointed committee of the Board authorised to exercise the relevant powers conferred by the Board, the consent of the Company be and is hereby accorded to the Board/Committee to offer, issue and allot 9,15,000 Zero Percent Convertible Warrants of the face value of Rs. 37 per each warrant convertible into equal number of equity shares of Rs. 10/- each at a premium of Rs. 27 per share to the potential investors as specified in the Explanatory Statement on such terms and conditions as the Board may in its absolute discretion think fit, with power to settle details as to the form, terms and conditions of issue, allotment, conversion period and to accept any modifications in the terms and conditions, including dividend, tenor, etc.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board/ Committee be and is hereby authorised to do all the things necessary for the purpose of above issue of Zero Percent Convertible Warrants and to take such action or give such directions as may be necessary or desirable and to settle all matters that may arise in regard to the issue and allotment of the Zero Percent Convertible Warrants".

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.
2. THE INSTRUMENT APPOINTING A PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the business at items 6 to 15 is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 21, 2007 to Wednesday, September 26, 2007 (both days inclusive) for the purpose of Annual General Meeting and declaration of dividend.
5. Members are requested to notify promptly any change in their addresses to the Company's Registrar and Share Transfer Agents, Mondkar Computers Private Limited, 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai 400 093.
6. Members are requested to bring their copy of Annual Report at the time of attending the Annual General Meeting.
7. Members who have not paid the calls-in-arrears are required to pay the same as per the Notice dated 24.05.2007 issued to them. Shares held by such members are subject to forfeiture due to non-payment of calls-in- arrears.
8. Dividend if declared on equity shares shall be adjusted against the calls in arrears of those shareholders who have not paid their arrears.

Registered Office:

A/8, M.I.D.C. Industrial Area,
Mahad, Dist. Raigad (Maharashtra)

By Order of the Board
BANKESH CHANDRA AGRAWAL
Managing Director

Dated : 27th August. 2007

SHREE HARI CHEMICALS EXPORT LTD.**ANNEXURE TO NOTICE****Explanatory Statement as required by Section 173 of the Companies Act, 1956****Item No. 6**

The Board of Directors of the Company at its meeting held on January 31, 2007 approved the revision in remuneration payable to Shri Kishori Lal Ramuka for the remaining period of his tenure as Chairman & Executive Director of the company i.e. with effect from October 01, 2006 upto 30th September 2009 and the other terms of his appointment remaining unchanged. The revised remuneration is as under:

- a) **Salary** : **Rs. 2,00,000/- per month including other perquisites or as may be decided by the Board of Directors of the Company.**
- b) **Commission** : **Commission on Net Profits of the Company computed in the manner laid down in Section 349 of the Companies Act, 1956 as may be fixed by the Board subject to the ceiling limits laid down in Sections 198 and 309 of the Companies Act, 1956.**

Where in any financial year during the currency of the tenure of the Chairman & Executive Director, the Company has made no profits or its profits are inadequate, the Company shall pay to the Chairman & Executive Director, the above remuneration except commission not exceeding the ceiling limits prescribed in Schedule XIII of the Companies Act, 1956 as minimum remuneration.

The Chairman & Executive Director shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration:

- Contribution towards 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.
- Gratuity payable at the rate not exceeding half a months salary for each completed year of service.
- Earned privilege leave at the rate of one month leave for every eleven months of service. The Chairman & Executive Director shall be entitled to encash leave at the end of his tenure as Chairman & Executive Director.
- Provision of Car and Telephone at the Residence of the Chairman & Executive Director shall not be treated as perquisites.

Additional information required to be given alongwith a Notice calling General Meeting as per sub para (B) of para 1 of Section II of Part II of Schedule XIII to the Companies Act, 1956 is given hereunder:

I. General Information:

- Nature of industry : Chemicals Industry
- Date or expected date of commencement of commercial production : The Company has been in the business since 1987
- In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not Applicable
- Financial performance based on given indicators

	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007
Turnover	257776654	317296755	384451222	404847029	682887790
Net profit (as computed under section 198)	1322329	2413917	3048908	4498995	50818212
Net profit/ (Loss) as per profit and loss account	926239	2017917	2717408	3898995	47338212
Amount of Dividend paid	--	--	--	--	440050
					(Recommended)
Rate of Dividend declared	--	--	--	--	10%
Earning before interest, depreciation & taxes % of EBIDT to turnover	4.43 %	4.71 %	4.49 %	6.63 %	14.89 %
- Export performance and net foreign exchange collaborations

	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007
	16285854	24641181	29977277	110679694	316096262
- Foreign investments or collaborators, if any. Nil

II. Information about the appointee:

- | | |
|--|---|
| (1) Background details | Name : Shri Kishori Lal Ramuka
Designation : Chairman & Executive Director
Father's name : Shri Suwalal Ramuka
Nationality : Indian
Date of Birth : 07.04.1949
Qualifications : B. Com
Experience : Over 38 years in Textile & Chemical Industry |
| (2) Past remuneration | : The gross remuneration paid to him in the year 2006-07 was Rs. 17,40,000/- . |
| (3) Recognition or awards | : NIL |
| (4) Job profile and his suitability | Shri Kishori Lal Ramuka is fully involved with the Company and overseas the production, purchases and factory administration activities. Having regard to age, qualifications, ability and experience and looking to the business requirement is in the interest of the Company. |
| (5) Remuneration proposed | : Salary Rs.2,00,000/- per month including all other perquisites. |
| (6) 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) | Compared to the remuneration with respect to the industry, size of the Company etc. the remuneration proposed to be paid to is low. |
| (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any. | The Chairman & Executive Director is a promoter Director of the company. He is concerned or interested as it relates to him and Shri Kailash Chand Ramuka Whole Time Director is also interested or concerned being relative of Shri Kishori Lal Ramuka |

III. Other information:

- | | |
|--|---|
| (1) Reasons of loss or inadequate profits | In view of the International Market condition we have to continue the sales with existing rates affected the profitability Though the turnover of the company improved the overall profit was not adequate. |
| (2) Steps taken or proposed to be taken for improvement | Substantial marketing efforts and upgradation in technology is likely to increase the profitability of the Company. |
| (3) Expected increase in productivity and profits in measurable terms. | With the curtailment in expenses and increase in the turnover the Company expects to make profit to the tune of approximately Rs. 8.00 crores. |

IV. Disclosures:

The remuneration of Shri Kishori Lal Ramuka and other details have been disclosed above. The Company does not have any scheme for grant of stock options.

The Board commends the approval by the members for revision in payment of remuneration to him.

Shri Kishori Lal Ramuka, Chairman & Executive Director is concerned or interested in the said resolution at item no. 6 of the accompanying notice as it relates to him. Shri Kailash Chand Ramuka is also interested or concerned in the said resolution being relative of Shri Kishori Lal Ramuka, none of the other Directors concerned or interested in any way in the aforesaid resolution.

The above may be treated as an abstract of the terms of remuneration payable to Shri Kishori Lal Ramuka, Chairman & Executive Director as is required to be sent to every member pursuant to Section 302 of the Act.

SHREE HARI CHEMICALS EXPORT LTD.**Item No. 7**

The Board of Directors of the Company at its meeting held on January 31, 2007 approved the revision in remuneration payable to Shri Bankesh Chandra Agrawal i.e. with effect from October 01, 2006 for the remaining period of his tenure as Managing Director of the company and the other terms of his appointment remaining unchanged. The revised remuneration is as under:

- a) **Salary** : **Rs. 2,00,000/- per month including other perquisites or as may be decided by the Board of Directors of the Company.**
- b) **Commission** : **Commission on Net Profits of the Company computed in the manner laid down in Section 349 of the Companies Act, 1956 as may be fixed by the Board subject to the ceiling limits laid down in Sections 198 and 309 of the Companies Act, 1956.**

Where in any financial year during the currency of the tenure of the Managing Director, the Company has made no profits or its profits are inadequate, the Company shall pay to the Managing Director, the above remuneration except commission not exceeding the ceiling limits prescribed in Schedule XIII of the Companies Act, 1956 as minimum remuneration.

The Managing Director shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration:

- Contribution towards 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.
- Gratuity payable at the rate not exceeding half a months salary for each completed year of service.
- Earned privilege leave at the rate of one month leave for every eleven months of service. The Managing Director shall be entitled to encash leave at the end of his tenure as Managing Director.
- Provision of Car and Telephone at the Residence of the Managing Director shall not be treated as perquisites.

Additional information required to be given alongwith a Notice calling General Meeting as per sub para (B) of para 1 of Section II of Part II of Schedule XIII to the Companies Act, 1956 is given hereunder:

I. General Information:

(1) Nature of industry	: Chemicals Industry				
(2) Date or expected date of commencement of commercial production	: The Company has been in the business since 1987				
(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	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007
Turnover	257776654	317296755	384451222	404847029	682887790
Net profit (as computed under section 198)	1322329	2413917	3048908	4498995	50818212
Net profit/ (Loss) as per profit and loss account	926239	2017917	2717408	3898995	47338212
Amount of Dividend paid	--	--	--	--	440050
Rate of Dividend declared	--	--	--	--	10%
Earning before interest, depreciation & taxes % of EBIDT to turnover	4.43 %	4.71 %	4.49 %	6.63 %	14.89 %
(5) Export performance and net foreign exchange collaborations	16285854	24641181	29977277	110679694	316096262
(6) Foreign investments or collaborators, if any.	Nil				

II. Information about the appointee:

- | | |
|--|--|
| (1) Background details | Name : Shri Bankesh Chandra Agrawal
Designation : Managing Director
Father's name : Late Shri Babulal Agrawal
Nationality : Indian
Date of Birth : 29.10.1951
Qualifications : B. Com, AICWA
Experience : Over 35 years in Yarn & Chemical Industry |
| (2) Past remuneration | The gross remuneration paid to him in the year 2006-07 was Rs. 17,40,000/- . |
| (3) Recognition or awards | NIL |
| (4) Job profile and his suitability | The Managing Director shall be responsible for the management of the whole of the affairs of the Company and to do all acts and things, which, in the ordinary course of business, he considers necessary or proper or in the interest of the Company. |
| (5) Remuneration proposed | Salary Rs.2,00,000/- per month including all other perquisites. |
| (6) 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) | Compared to the remuneration with respect to the industry, size of the Company etc. the remuneration proposed to be paid to is low. |
| (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any. | The Managing Director is a promoter Director of the company. He is concerned or interested as it relates to him and Shri Ramu Raman Agarwal Whole Time Director is also interested or concerned being relative of Shri Bankesh Chandra Agrawal |

III. Other information:

- | | |
|--|--|
| (1) Reasons of loss or inadequate profits | In view of the International Market condition we have to continue the sales with existing rates affected to the profitability Though the turnover of the company improved the overall profit was not adequate. |
| (2) Steps taken or proposed to be taken for improvement | Substantial marketing efforts and upgradation in technology is likely to increase the profitability of the Company. |
| (3) Expected increase in productivity and profits in measurable terms. | With the curtailment in expenses and increase in the turnover the Company expects to make profit to the tune of approximately Rs. 8.00 crores. |

IV. Disclosures:

The remuneration of Shri Bankesh Chandra Agrawal and other details have been disclosed above. The Company does not have any scheme for grant of stock options.

The Board commends the approval by the members for revision in payment of remuneration to him.

Shri Bankesh Chandra Agrawal, Managing Director is concerned or interested in the said resolution at item no. 7 of the accompanying notice as it relates to him. Shri Ramu Raman Agarwal is also interested or concerned in the said resolution being relative of Shri Bankesh Chandra Agrawal, none of the other Directors concerned or interested in any way in the aforesaid resolution.

The above may be treated as an abstract of the terms of remuneration payable to Shri Bankesh Chandra Agrawal, Managing Director as is required to be sent to every member pursuant to Section 302 of the Act.