

# ANNUAL REPORT 2003-04

Report  Junction.



**SURYALATA  
SPINNING MILLS LIMITED**

# **SURYALATA SPINNING MILLS LIMITED**

## **BOARD OF DIRECTORS**

Sri C. Narsi Reddy  
Sri R. Surender Reddy  
Sri K.S. Purohit  
Sri K. Srinivasa Reddy  
Sri K. Lakshmikanth Reddy  
Sri R.S. Agarwal  
Sri Vithaldas Agarwal  
Sri Mahender Kumar Agarwal  
Sri Veerender Kumar Agarwal

Chairman  
Director  
Director  
Director  
Director  
Director  
Managing Director  
Joint Managing Director  
Executive Director

## **GENERAL MANAGER (FINANCE)**

Sri L. Sivananda

## **COMPANY SECRETARY**

Sri B. Muralidhara Rao

## **AUDITORS**

M/s. Brahmayya & Co.,  
Flat No.403 & 404, Golden Green Apartments,  
Irrammanzil Colony, Hyderabad - 500 082.

## **REGISTERED OFFICE**

Surya Towers, 1<sup>st</sup> Floor,  
105, Sardar Patel Road  
Secunderabad - 500 003.

## **REGISTRAR & TRANSFER AGENTS**

Sathguru Management Consultants  
Private Limited,  
Plot No.15, Hindi Nagar,  
Panjagutta, Hyderabad - 500 034.

## **BANKERS**

State Bank of India  
Industrial Finance Branch,  
Somajiguda,  
Hyderabad.

UTI Bank Limited  
Begumpet,  
Hyderabad.

## **FACTORIES**

Marchala Village,  
Kalwakurthy Mandal,  
Mahaboobnagar District,  
Andhra Pradesh.

Mouza-Nayakund,  
Near Ramtek,  
Nagpur District,  
Maharashtra.

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# S SURYALATA SPINNING MILLS LIMITED

## NOTICE OF THE 21ST ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty First Annual General Meeting of the Members of SURYALATA SPINNING MILLS LIMITED will be held on Tuesday, the 31st August, 2004, at 11.00 A.M. at Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredpally, Secunderabad - 500 026 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2004 and the Balance Sheet as on that date and the reports of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To declare Dividend on Cumulative Redeemable Preference Shares.
4. To appoint a Director in place of Sri C. Narsi Reddy who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Sri R. Surender Reddy who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors and fix their remuneration.

### SPECIAL BUSINESS

7. To consider and if thought fit, to pass the following resolution with or without modification(s) as an **Ordinary Resolution**:  
"RESOLVED THAT pursuant to the provisions of Section 257 of the Companies Act, 1956, Sri R S Agarwal be and is hereby appointed as a Director of the Company, whose period of office shall be liable to retire by rotation."
8. To consider and if thought fit, to pass the following resolution with or without modification(s) as a **Special Resolution**:  
"RESOLVED THAT pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act,

1956, the authorized share capital of the Company be and is hereby increased from Rs.13,00,00,000 (Rupees Thirteen Crores only) divided into 70,00,000 Equity Shares of Rs.10/- each and 6,00,000 Redeemable Preference Shares of Rs.100/- each to Rs.17,00,00,000 (Rupees Seventeen Crores only) divided into 70,00,000 Equity Shares of Rs.10/- each and 10,00,000 Redeemable Preference Shares of Rs.100/- each.

RESOLVED FURTHER THAT pursuant to the provisions of Section 16 and other applicable provisions, if any, of the Companies Act, 1956, in Clause No. V of the Memorandum of Association of the Company, for the words and figures "Authorised Share Capital of the Company is Rs.13,00,00,000 divided into 70,00,000 Equity Shares of Rs.10/- each and 6,00,000 Redeemable Preference Shares of Rs.100/- each the following shall be substituted:

The Authorised Share Capital of the Company is Rs.17,00,00,000 (Rupees Seventeen Crores only) divided into 70,00,000 Equity Shares of Rs.10/- each and 10,00,000 Redeemable Preference Shares of Rs.100/- each."

9. To consider and if thought fit, to pass the following resolution with or without modification(s) as a **Special Resolution**:

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles 3(i) and 99 of the Articles of Association of the Company be altered in the following manner:

- (a) by substituting the following words and figures in the existing Article No.3(i) thereof:

"3(i) The Authorised Share Capital of the Company is Rs.17,00,00,000 (Rupees Seventeen Crores only) divided into 70,00,000 Equity Shares of Rs.10/- each and 10,00,000 Redeemable Preference Shares of Rs.100/- each."

# SURYALATA SPINNING MILLS LIMITED

- (b) by substituting the following new Article 99 in place of the existing Article 99:

"99. Every Director (other than Whole-time Directors) shall be paid sitting fees as may be determined by the Board from time to time in accordance with the provisions of the Companies Act, 1956, for every meeting or adjourned meeting of the Board or Committee of the Board attended by him. In addition to remuneration payable in pursuance of the Act, the Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Board or any Committee thereof or General Meetings of the Company or otherwise in execution of their duties as Directors."

10. To consider and if thought fit, to pass the following resolution with or without modification(s) as an **Ordinary Resolution**:

"RESOLVED THAT the Company do hereby approve in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, creating mortgage or charge by the Board of Directors of the Company (herein after referred as the Board) of all the immovable and movable properties of the Company, wheresoever situate, both present and future, of the whole of the undertaking of the Company together with power to takeover the management of the business and concern of the Company in certain events:

**On First Charge basis to**

UCO Bank, to secure the term loan of Rs.135 Lakhs.

AND

**On Second Charge basis**

- i) UCO Bank of its term loan of Rs.587 Lakhs.
- ii) UTI Bank Limited of its term loan of Rs.123 Lakhs.

together with the interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, premia on prepayment, costs, charges, expenses and other moneys payable by the Company to UCO Bank and UTI Bank Limited, in terms of the Loan agreement(s) entered/to be entered into by the Company in respect of the said financial assistance.

Provided however that the above mortgage/charge in favour of UCO Bank (for its term loan of Rs.135 Lakhs) shall rank pari-passu on first charge basis with the mortgages and / or charges already created or to be created by the Company to secure the term loans sanctioned/to be sanctioned by Industrial Development Bank of India and State Bank of India and the mortgage/charge on second charge basis in favour of UTI Bank Limited and UCO Bank (for its term loan of Rs.587 Lakhs) shall rank second and subservient to the charges created/to be created by the Company in favour of IDBI, SBI and UCO Bank (for its above term loan of Rs.135 Lakhs) to secure the term loans sanctioned/to be sanctioned by them.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to finalise the documents for creating aforesaid mortgage and to do all such acts, deeds and things as may be necessary for giving effect to the above resolution."

11. To consider and if thought fit, to pass the following resolution with or without modification(s) as an **Ordinary Resolution**:

"RESOLVED THAT in modification of the resolution passed by the Company at the Annual General Meeting held on 24th July, 1997 and pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956, the consent of the Company in terms of the aforesaid Section of the Act be and is hereby accorded to the Board of Directors of the Company, to borrow money from time to time, on such terms and conditions

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as the Board may deem fit, for the purpose of Company's business, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up share capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose so that the total amount of monies so borrowed at any time shall not exceed the sum of Rs.75 Crores (Rupees Seventy Five Crores only)."

12. To consider and if thought fit, to pass the following resolution with or without modification(s) as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 198,269,309,314 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII thereof as amended up to date and subject to the approval of financial institutions, consent of the members of the Company, be and is hereby accorded for the re-appointment of Sri Vithaldas Agarwal as the Managing Director of the Company for a further period of 5 Years with effect from 1st July, 2004 to 30th June, 2009 on the following terms and conditions:

- 1) Salary: 95,000/- per month.
- 2) Commission: At the rate of 1% of the net profits of the Company or 50% of the annual salary whichever is less.
- 3) Perquisites: In addition to the salary and commission as stated above Sri Vithaldas Agarwal shall be entitled to the following perquisites:

## CATEGORY 'A'

- (i) Housing: Rent-free furnished residential accommodation with all facilities and amenities including such services as gas, electricity, water etc., or HRA to the extent of 50% of the salary.

- (ii) Reimbursement of Medical Expenses: Medical expenses incurred for self and family subject to a ceiling of one month's salary per year or three month's salary in a period of three years.
- (iii) Leave Travel Concession: For self and family once in a year incurred in accordance with the rules of the Company.
- (iv) Club Fee: Fees of clubs subject to a maximum of two clubs, admission and life membership fees not being allowed.
- (v) Personal Accident Insurance: Of an amount, the premium of which not to exceed Rs.4,000/- per annum.

## CATEGORY 'B'

- (i) Contribution by the Company to Provident Fund, Superannuation Fund or Annuity Fund as per the rules of the Company.
- (ii) Payment of Gratuity subject to an amount equal to half a month's salary for each completed year of service.

## CATEGORY 'C'

The Company shall provide a car with driver and a telephone at the residence.

Car for use on Company's business and telephone and other communication facilities at residence will not be considered as perquisites.

RESOLVED FURTHER THAT in the absence of or inadequacy of profits in any financial year, the above remuneration will be paid as minimum remuneration in terms of Section II of Part II of Schedule XIII of the Companies Act, 1956."

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

"RESOLVED THAT in supersession of the resolution passed by the members in the

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Annual General Meeting held on 20th July, 2001 and pursuant to the provisions of Sections 198,269,309,314 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII thereof as amended up to date and subject to the approval of financial institutions, consent of the members of the Company, be and is hereby accorded for the revision in the remuneration payable to Sri Mahender Kumar Agarwal, Joint Managing Director of the Company, for the remaining period of the term of his employment i.e., from 01.07.2004 to 31.12.2005 :

- 1) Salary: 80,000/- per month.
- 2) Commission: At the rate of 1% of the net profits of the Company or 50% of the annual salary whichever is less.
- 3) Perquisites: In addition to the salary and commission as stated above Sri Mahender Kumar Agarwal shall be entitled to the following perquisites:

## CATEGORY 'A'

- (i) Housing: Rent-free furnished residential accommodation with all facilities and amenities including such services as gas, electricity, water etc., or HRA to the extent of 40% of the salary.
- (ii) Medical Reimbursement: Expenses incurred for self and his family subject to a ceiling of one month's salary per year or three month's salary in a period of three years.
- (iii) Leave Travel Concession: For self and family once in a year incurred in accordance with the rules of the Company.
- (iv) Club Fee: Fees of clubs subject to a maximum of two clubs, admission and life membership fees not being allowed.
- (v) Personal Accident Insurance: Of an amount, the premium of which not to exceed Rs.4,000/- per annum.

## CATEGORY 'B'

- (i) Contribution by the Company to Provident Fund, Superannuation Fund or Annuity Fund as per the rules of the Company.
- (ii) Payment of Gratuity subject to an amount equal to half a month's salary for each completed year of service.

## CATEGORY 'C'

The Company shall provide a car with driver and a telephone at the residence.

Car for use on Company's business and telephone and other communication facilities at residence will not be considered as perquisites.

RESOLVED FURTHER THAT in the absence of or inadequacy of profits in any financial year, the above remuneration will be paid as minimum remuneration in terms of Section II of Part II of Schedule XIII of the Companies Act, 1956."

14. To consider and if thought fit, to pass the following resolution with or without modification(s) as a **Special Resolution**:

"RESOLVED THAT in supersession of the resolution passed by the members in the Annual General Meeting held on 20th July, 2001 and pursuant to the provisions of Sections 198,269,309,314 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII thereof as amended up to date and subject to the approval of the financial institutions, consent of the members of the Company, be and is hereby accorded for the revision in the remuneration payable to Sri Veerender Kumar Agarwal, Executive Director of the Company, for the remaining period of the term of his employment i.e., from 01.07.2004 to 26.05.2007 :

- 1) Salary: 70,000/- per month.
- 2) Commission: At the rate of 1% of the net profits of the Company or 50% of the annual salary whichever is less.



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- 3) Perquisites: In addition to the salary and commission as stated above Sri Veerender Kumar Agarwal shall be entitled to the following perquisites:

## CATEGORY 'A'

- (i) Housing: Rent-free furnished residential accommodation with all facilities and amenities including such services as gas, electricity, water etc., or HRA to the extent of 40% of the salary.
- (ii) Medical Reimbursement: Expenses incurred for self and his family subject to a ceiling of one month's salary per year or three month's salary in a period of three years.
- (iii) Leave Travel Concession: For self and family once in a year incurred in accordance with the rules of the Company.
- (iv) Club Fee: Fees of clubs subject to a maximum of two clubs, admission and life membership fees not being allowed.
- (v) Personal Accident Insurance: Of an amount, the premium of which not to exceed Rs.4,000/- per annum.

## CATEGORY 'B'

- (i) Contribution by the Company to Provident Fund, Superannuation Fund or Annuity Fund as per the rules of the Company.
- (ii) Payment of Gratuity subject to an amount equal to half a month's salary for each completed year of service.

## CATEGORY 'C'

The Company shall provide a car with driver and a telephone at the residence.

Car for use on Company's business and telephone and other communication facilities at residence will not be considered as perquisites.

RESOLVED FURTHER THAT in the absence of or inadequacy of profits in any financial year, the above remuneration will be paid as minimum remuneration in terms of Section II of Part II of Schedule XIII of the Companies Act, 1956."

15. To consider and if thought fit, to pass the following resolution with or without modification(s) as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 80, 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, and subject, wherever required, to any other approval of Financial Institutions, appropriate authorities, consent of the members be and is hereby accorded to the Board of Directors of the Company to issue Redeemable Preference Shares of Rs.100/- each, Cumulative or Non-cumulative either at par or at premium and in such numbers as the Board may decide from time to time for a sum not exceeding Rs.7 Crores (Rupees Seven Crores Only), in one or more tranches, and to offer such shares on a private placement basis to Financial Institutions, Banks, Mutual Funds, Bodies Corporate, Individuals or to any other person(s) as the Board may deem fit whether they are holders of Equity/ Preference Shares of the Company or not, and on such terms and conditions including the rate of dividend, period of redemption etc., as the Board may in its absolute discretion decide, in the best interests of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to agree and to make such modifications and alterations from time to time as it deems fit and to take all steps as it may deem necessary, desirable or expedient and to resolve all questions of doubt and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit without being required to seek any fresh approval

# **SURYALATA SPINNING MILLS LIMITED**

of the members of the Company and the decision of the Board shall be final and conclusive."

16. To consider and if thought fit, to pass the following resolution with or without modification(s) as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 163 of the Companies Act, 1956, the Company hereby approves that the Register of Members and Index of Members be shifted from the Registered Office of the Company to M/s. Sathguru Management Consultants Private Limited, Registrars & Transfer Agents, Plot No.15, Hindi Nagar, Panjagutta, Hyderabad - 500 034."

By Order of the Board  
for **Suryalata Spinning Mills Limited**

Place : Secunderabad

**B. Muralidhara Rao**

Date : 29.06.2004

Company Secretary

## **NOTES**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and on a poll to vote instead of himself and such proxy need not be a member. The instrument appointing a proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 25th August, 2004 to 31st August, 2004 (both days inclusive) for payment of Dividend, if approved.
3. The Company has already transferred all unclaimed dividends declared upto the financial year ended 31st March, 1996 to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978.

4. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividend for the financial year ended 31st March, 1997 and thereafter, which remain unclaimed for a period of 7 years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956.

Information in respect of such unclaimed dividend when due for transfer to the said fund is given below:

For the Financial year	Date of declaration	Due for transfer on
1996-1997	24.07.1997	11.09.2004
1997-1998	25.09.1998	13.11.2005
1999-2000	29.05.2000	05.07.2007
2000-2001	20.07.2001	26.08.2008

Members who have not encashed the dividend warrant(s) so far for the financial year ended 31st March, 1997 or any subsequent financial years are requested to make their claim to the Company at its Registered Office. It may also be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund (IEPF) no claim shall lie in respect thereof.

5. The Company's Equity shares are listed at The Hyderabad Stock Exchange Limited, 6-3-654, Somajiguda, Hyderabad and The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 and the company has paid the Listing Fees to the said Stock Exchanges.
6. Members are requested to bring their copy of the Annual Report to the Meeting.



# **SURYALATA SPINNING MILLS LIMITED**

## **EXPLANATORY STATEMENT**

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

### **ITEM NO. 7**

Sri R S Agarwal was appointed as an Additional Director in the meeting of the Board of Directors of the Company held on 19th January, 2004 under Section 260 of the Companies Act, 1956. He will hold office upto the date of Twenty First Annual General Meeting. The Company has received notice from a member under Section 257 of the Companies Act, 1956, together with a deposit of Rs.500/- signifying his intention to propose Sri R S Agarwal, for the office of Director of the Company.

Sri R S Agarwal aged about 62 years is a graduate in Science and Chemical Engineering and holds Diploma in Industrial Engineering. He is having 9½ years industrial experience before joining the IDBI. He served IDBI, a premier Financial Institution for a period of 28 Years in various positions and has risen from an officer level to the senior most position of Executive Director. He is having vast experience and knowledge in various fields particularly on matters relating to Corporate Finance.

None of the Directors except Sri R S Agarwal is in any way concerned or interested in the said resolution.

### **ITEM NO. 8 & 9 (a)**

At present the Authorised Share Capital of the Company is Rs.13,00,00,000 divided into 70,00,000 Equity Shares of Rs.10/- each and 6,00,000 Redeemable Preference Shares of Rs.100/- each. Considering the future expansion and modernisation plans, the Company may need to acquire the funds by way of issue of further capital. For this purpose the present Authorised Share Capital of the Company needs to be increased from Rs.13,00,00,000 to Rs.17,00,00,000 divided into 70,00,000 Equity Shares of Rs.10/- each and 10,00,000 Redeemable Preference Shares of Rs.100/- by amending the respective Clauses in the

Memorandum and Articles of Association of the Company in terms of the provisions of the Companies Act, 1956.

Your Directors recommend the resolution for approval.

A copy of the Memorandum and Articles of Association of the Company is available for inspection by shareholders at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on all working days.

None of the Directors is in any way concerned or interested in the above resolution.

### **ITEM NO. 9 (b)**

The Company is presently paying a sitting fee of Rs.1,000/- in addition to out of pocket expenses to Non-Whole-time Directors for attending the Board / Committee Meetings. Considering the recent changes in the Corporate sector, it is now proposed to increase the sitting fee the quantum of which will be determined by the Board from time to time in addition to out of pocket expenses and reimbursement of travelling expenses.

The Board recommends the resolution for your approval.

All the Directors except Sri Vithaldas Agarwal, Managing Director, Sri Mahender Kumar Agarwal, Joint Managing Director and Sri Veerender Kumar Agarwal, Executive Director are deemed to be interested or concerned in the above resolution.

### **ITEM NO. 10**

The Company has been sanctioned a rupee Term Loan(s) of Rs.135 Lakhs from UCO Bank for undertaking modernisation programme at Kalwakurthy unit and Rs.587 Lakhs by UCO Bank under the Technology Upgradation Fund Scheme (TUFS) for modernization programme at Kalwakurthy Unit. The Company has also been sanctioned a rupee Term Loan of Rs.123 Lakhs by UTI Bank Limited for acquiring some balancing equipments at the Ramtek Unit.

The said loan of Rs.135 Lakhs from UCO Bank is to be secured by way of First charge on all the

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immoveable properties of the Company ranking pari-pasu with the existing Term Loans. The Loan of Rs.587 Lakhs sanctioned by UCO Bank and Rs.123 Lakhs by UTI Bank Limited is to be secured by way of exclusive charge on the Assets purchased out of the respective term loans and Second charge on all the immovable properties of the Company ranking pari-pasu with the existing working capital loans. Section 293(1)(a) of the Companies Act, 1956 provides inter-alia that the Board of Directors of a public Company shall not, without the consent of the Company in General Meeting sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company. Since, the creation of Mortgage by the Company on its immovable properties as aforesaid in favour of Financial Institutions/Banks may be regarded as disposal of the Company's properties/undertaking in certain events, it is necessary for the Members to pass a resolution under Section 293(1)(a) of the Companies Act, 1956.

The Board recommends the resolution for your approval.

None of the Directors is in any way concerned or interested in the above resolution.

## **ITEM NO. 11**

Keeping in view, the proposed Expansion and modernization programme to be undertaken by the Company, it is proposed to increase the borrowing limits of the Company from the existing Rs.50 Crores, which was approved at the Annual General Meeting, held on 24th July, 1997. The monies already borrowed together with the monies proposed to borrow may likely exceed the present borrowing limit of Rs.50 Crores. The borrowings of the Company (excluding temporary loans obtained from the bankers in the ordinary course of business) as on 31st March, 2004 was Rs.30.60 Crores.

Hence, your approval is necessary to raise the said limit to Rs.75 Crores to comply with the requirements of Section 293(1)(d) of the Companies Act, 1956.

None of the Directors is in any way concerned or interested in the above resolution.

## **ITEM NO. 12**

Members of the Company are aware that the tenure of appointment of Sri Vithaldas Agarwal as Managing Director of the Company will expire on 31st August, 2004. Keeping in view, the relentless efforts and valuable contribution made by Sri Vithaldas Agarwal towards the growth and success of the Company, the Board of Directors at their meeting held on 29th June, 2004, approved re-appointment of Sri Vithaldas Agarwal as Managing Director of the Company for a further period of 5 years w.e.f. 1st July, 2004 with a revision in the remuneration, subject to approval of members of the company and financial institutions.

The Board of Directors recommends the resolution for your approval.

None of the Directors of the Company except Sri Vithaldas Agarwal by himself and Sri Mahender Kumar Agarwal, Joint Managing Director and Sri Veerender Kumar Agarwal, Executive Director, being his relatives, are interested in the said resolution.

## **ITEM NO. 13**

Sri Mahender Kumar Agarwal, Joint Managing Director, is being paid a remuneration of Rs.55,000/- per month and other applicable perquisites as per the resolution passed by the members in the Annual General Meeting held on 20th July, 2001.

Keeping in view, the valuable contribution made by Sri Mahender Kumar Agarwal towards the success of the Company and the current levels of remuneration prevailing in the Industry, the Board of Directors of the Company at their meeting held on 29th June, 2004, passed a resolution, subject to approval of members and Financial Institutions, for the revision in remuneration payable to Sri Mahender Kumar Agarwal from Rs.55,000/- per month along with other perquisites to Rs.80,000/- per month along with other perquisites.

The Board of Directors recommends the resolution for your approval.