

# ACE

**Action Construction Equipment Ltd.**

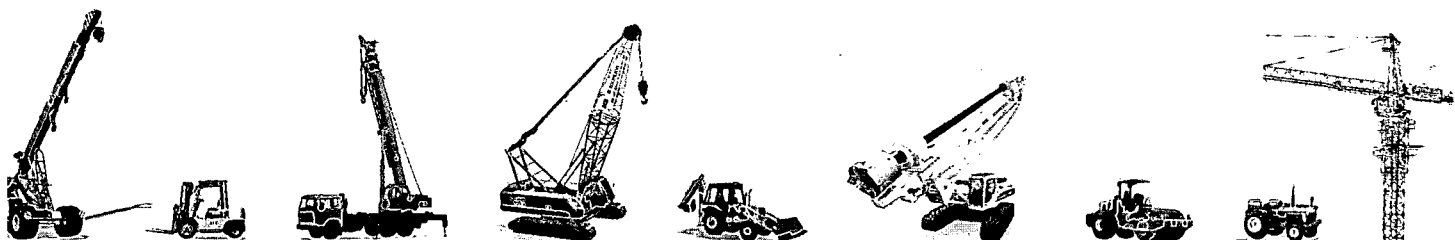
## Annual Report

**ACE** INDIA'S LEADING  
MOBILE CRANE COMPANY

Report  junction.com

### **15th Annual Report 2008-2009**

*Nothing beats an **ACE***



# Corporate Profile

## BOARD OF DIRECTORS

- **Vijay Agarwal**  
Chairman and Managing Director\*
- **Mona Agarwal**  
Whole - time Director
- **Sorab Agarwal**  
Whole - time Director
- **Vijay K. Singh**  
Whole - time Director#
- **Subhash C. Verma**  
Independent Director\* ^
- **G.N. Mehra (IAS Retd.)**  
Independent Director\* ^
- **Dr. Amar Singhal**  
Independent Director\* ^
- **Maj. Gen.(Retd.) Dr. K.C. Agarwal**  
Independent Director ^ #

\* Also a member of Audit Committee of the Company.

^ Also a member of Remuneration Committee of the Company.

# Also a member of Shareholder/Investor Grievance Committee.

## Subsidiary Companies

FRESTED LIMITED, Cyprus  
SC FORMA SA, Romania  
ACTION DEVELOPERS LTD., INDIA

## Registered Office

5th Floor, TDI Center, Jasola,  
New Delhi-110025

## Corporate Office

Dhudholla Link Road,  
Village Dhudholla, Palwal-121102,  
Haryana.

## Chief Finance Officer

P.K. Bansal

## Company Secretary

Ashish K Bhatt

## Statutory Auditors

M/s Rajan Chhabra & Co.  
Chartered Accountants

## Registrar and Share Transfer Agent

Karvy Computershare Private Limited  
Phone : +91-40-23322454, 23320751/52/53  
Fax : +91-40-23311968  
E-mail : einwards.ris@karvy.com

## Bankers

- ICICI Bank Ltd.
- Citibank N.A.
- Hongkong and Shanghai Banking Corporation of India Ltd. ("HSBC")
- Standard Chartered Bank.
- State Bank of Patiala

## Stock Exchanges

Bombay Stock Exchange Limited  
National Stock Exchange of India Limited

## PLANTS

### Plant 1

Jajru Road, 25th Mile Stone,  
Delhi-Mathura Road,  
Ballabgarh (Faridabad) 121004, Haryana

### Plant 2

Dhudholla Link Road, Village Dhudholla,  
Palwal- 121102, Haryana

### Plant 3

Plot No.C-5,6,7 & 8, UPSIDC Industrial Area-I,  
Bazpur, Dist. Uddham Singh Nagar-262123,  
Uttarakhand.

### Plant 4

Dhudholla Link Road, Village Dhudholla,  
Palwal- 121102, Haryana

## Product Support Division

Jajru Road, 25th Mile Stone, Delhi-Mathura  
Road, Ballabgarh (Faridabad) 121004, Haryana



## The Vision

“ To be the Leading Company in Cranes and Construction Equipment Sector, with a Global Focus. ”

## The Mission

To consolidate existing business further in terms of Customer relations & manufacturing and to continuously add new products to our Product Portfolio, with the mission of producing and distributing good quality machines which are cost effective, have value added features and to provide the best in the line Product Support and Spares availability.

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## Chairman's Speech

Dear Shareholders,

My warm greetings to all of you.

As you are aware we have entered into 16th financial year of the Company in an extremely challenging business environment when economy is still under recovery phase. The financial year 2008-09 faced recessionary trend particularly in the 2nd half when almost all countries got hit globally. The share markets also got plunged and demand for many products decreased.

The impact of this was felt in India to a lesser magnitude in comparison to other countries, your Company also suffered from this situation. In spite of the economic slowdown all over the world, your Company has performed reasonably well during the financial year of 2008-09. The Company held its fort by fighting the situation with courage and conviction. We took this opportunity to increase our customer base & did product improvements to provide our customers quality equipment at comparatively low prices. We made plans to leverage opportunities, realizing our growth potential. At ACE, we believe that we have key strengths which have ensured, we stay healthy even in tough times. While the Company concentrated on cutting cost wherever possible, to remain profitable, we focussed on products where our market share could be improved i.e. Tractors, Backhoe Loaders, Crawler Cranes, Pilling Rigs and others. Due to our innovative sales and marketing techniques, the new products of Company have already penetrated into the market. This will give your Company increased turnover & profit in future.

It gives me immense pleasure to share with you that the sale of Tractors has picked up and going in the right direction as was anticipated. Initially we have appointed dealers and are marketing only in the states of Haryana, U.P & Rajasthan. Further strategies have been chalked out to extend the presence of Tractors in different parts of the Country, thus making it popular all over India. At the same time it is heartening to announce that your Company remains a leading Mobile Crane Manufacturing Company in India.

In the coming years, your Company has formulated plans to deliver sustainable and profitable growth, creating value for the shareholders. Our core values will take us towards our vision of becoming the largest Construction Equipment Manufacturing Company in India.

With gratitude to our investors, employees, customers and also stock holders, we look forward to your continued support.

**Vijay Agarwal**  
Chairman and Managing Director



## NOTICE

NOTICE is hereby given that the **Fifteenth Annual General Meeting** of the Members of **Action Construction Equipment Limited** will be held as under to transact the following business:-

**Day, Date** : Thursday, 6th August, 2009

**Time** : 12:00 Noon

**Venue** : MPCU SHAH AUDITORIUM, Shree Delhi  
Gujrati Samaj Marg, Delhi-110054

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2009, audited Profit & Loss Account for the year ended 31st March, 2009, Board's Report and addendum thereto, Auditors' Report.
2. To declare dividend on Equity Share Capital for the financial year ended on 31st March, 2009. The Board has recommended final dividend of Rs. 0.40 per equity share(20%) for the year ended 31st March, 2009.
3. To appoint a Director in place of Mr. Vijay K. Singh, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. Amar Singhal, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint M/s. Rajan Chhabra & Co., Chartered Accountants, retiring Auditors as Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

### SPECIAL BUSINESS

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

**"RESOLVED THAT** in modification of the resolution passed at the Extra Ordinary General Meeting of the Shareholders of the Company held on 25th October, 2005, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company pursuant to Section 293(1)(d) and other applicable provisions of the Companies Act, 1956, for borrowing from time to time, any sum or sums of money for the purposes of the Company upon such terms and conditions and with or without security as the Board of Directors may in its discretion think fit, not withstanding, that the money or monies to be borrowed by the Company (apart from the Temporary loans obtained or to be obtained from time to time from the Company's Bankers in the ordinary course of business)

together with the money already borrowed, may exceed the aggregate of the Paid-up share Capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose(s), provided however that the money or monies to be borrowed by the Company together with the money already borrowed shall not, at any time exceed Rs.250 Crores(Rupees Two Hundred Fifty Crores only)".

7. To consider remuneration of Mr. Vijay Agarwal, Chairman and Managing Director of the Company and pass following resolution(s), as **Special Resolution(s)**, with or without modification(s):-

**"RESOLVED THAT** pursuant to the provisions of Sections 198, 268, 269, 309, 310, 311, 316, 317, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 including any statutory amendments, modifications, or re-enactments thereof, and subject to the approval of the Central Government, if required, in this regard, the consent of the Shareholders be and is hereby accorded to the pay revised remuneration to Mr. Vijay Agarwal, Chairman and Managing Director of the Company from the Financial year 2009-10 till the end of his current tenure, on the terms and conditions as recommended by the Remuneration Committee and approved by Board of Directors of the Company and as set out in the explanatory statement which forms part of this resolution.

**RESOLVED FURTHER THAT** the remuneration as set out in the explanatory statement which forms a part of this resolution, payable to Mr. Vijay Agarwal, Chairman and Managing Director (CMD), is subject to the condition that in case of adequate profits the total remuneration payable in any financial year by way of salary, perquisites and other allowances shall not exceed the overall limit of five percent (5%) of the net profits of the company as applicable to each of the Managing/Whole-time Directors of the Company and/or ten percent (10%) of the net profits of the Company for all the Managing/Whole-time Directors in accordance with the provisions of Sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII including any statutory amendments, modifications, or re-enactments thereof, as may be made thereto and for the time being in force or to the remuneration specifically approved by the Central Government.

**RESOLVED FURTHER THAT** where in any financial year during the currency of the tenure of the CMD, the Company has no profits or its profits are inadequate, the CMD shall be entitled to remuneration by way of





salary, perquisites and other allowances as per the limits specified under Section II Part II of Schedule XIII of the Companies Act and subject to the fulfillment of Conditions specified therein, for payment of such remuneration.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and are hereby authorised to vary the remuneration of Mr. Vijay Agarwal, Chairman and Managing Directors of the Company, within the limits of the following:-

- a) In case of adequate profits the total remuneration payable in any financial year by way of salary, perquisites and other allowances shall not exceed the overall limit of five percent (5%) of the net profits of the company as applicable to each of the Managing/Whole-time Directors of the Company and/or ten percent (10%) of the net profits of the Company for all the Managing/Whole-time Directors in accordance with the provisions of Sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII including any statutory amendments, modifications, or re-enactments thereof, as may be made thereto and for the time being in force or to the remuneration specifically approved by the Central Government.
- b) In case, the Company has no profits or its profits are inadequate, CMD shall be entitled to remuneration by way of salary, perquisites and other allowances as per the limits specified under Section II Part II of Schedule XIII of the Companies Act and subject to the fulfillment of conditions specified therein, for payment of such remuneration."

#### 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/HERSELF AND THE PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE VALID MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING**
2. Members/Proxy should bring the Attendance Slip duly filled in, for attending the meeting.
3. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, with regard to the special business is attached herewith.
4. The Equity Shares of the Company are listed on the National Stock Exchange of India Limited (NSE) & Bombay Stock Exchange Limited (BSE).

5. The Register of Members and Share Transfer Book will remain closed from Monday, the 3rd August, 2009 to Thursday, 6th August, 2009 (both days inclusive) for payment of dividend. The dividend in respect of Equity Shares held in electronic form will be paid on the basis of beneficial ownership as per the details available from National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
6. For effecting change of Address/Bank details/Electronic Clearing Service (ECS) Mandate, if any, Members are requested to notify the same to the following:-
  - a. if shares are held **in physical mode**, to the Company and/or Registrar and Share Transfer Agent (R&T Agent) of the Company, i.e. M/s. Karvy Computershare Private Limited, 'Karvy House', 46 Avenue 4, Street No. 1, Banjara Hills, Hyderabad - 500 034. Members must quote their Folio No. in all correspondence with the Company/R&T Agent.
  - b. If shares are held **in electronic form**, to their Depository Participant (DP). The Company/ R&T Agent will not entertain requests for noting change of Address/Bank details/ECS Mandate, if any.
7. Members holding shares in physical form may avail Nomination facility by giving the particulars of their nomination in the prescribed form to the Registrar and Share Transfer Agent.
8. Members holding shares **in electronic form** may kindly note that their Bank Account details and 9-digit MICR Code of their Bankers, as noted in the records of their Depository, shall be used for the purpose of overprinting on Dividend Warrants, or remittance of dividend through Electronic Clearing Service (ECS), wherever applicable. It is, therefore, necessary that the Members should ensure that their correct bank details and/or 9-digit MICR Code number are noted in the records of the DP. Kindly ensure that the ECS mandate is correctly recorded with your DP so that no ECS rejection takes place.
- Reserve Bank of India (RBI) is providing Electronic Clearing Service (ECS) facility for payment of dividend in selected cities. Members holding shares in physical mode and who are desirous of availing this facility may give the details of their bank account i.e. 9-digit MICR Code in the format prescribed for this purpose (which can be obtained from the Registrar and Share Transfer Agent) along with photocopy of a cheque or a blank cancelled cheque relating to the bank account.
9. Members seeking any information on the accounts are requested to write to the Company at least ten days in



advance so as to enable the Management to keep the information ready, in reply to the same at the Annual General Meeting.

10. Disclosure pursuant to Clause 49 of the Listing Agreement with respect to the Directors seeking reappointment at the forthcoming Annual General Meeting is given in the annexure forming part of the Notice.

11. Members are requested to:-

- (i) bring their copy of Annual Report and attendance Slip at the venue of the meeting.
- (ii) Quote their Folio/DP & Client Id No. in all correspondence with the Company/ R&T Agent.

(iii) Note that briefcase, bag, eatables etc. **will not be allowed** to be taken inside the venue of the meeting for security purposes and shareholders will be required to take care of their belongings.

(iv) Note that **no gifts** will be distributed at the Annual General Meeting.

(v) Note that **shareholders present in person or through registered proxy** shall only be entertained.

(vi) The attendance slips/proxy form should be **signed** as per the specimens signatures registered with the R&T Agent/ Depository Participant (DP). Please carry photo ID card for identification/ verification purposes.

By Order of the Board  
For Action Construction Equipment Limited

Place : New Delhi  
Date : 28<sup>th</sup> May 2009

Sd/  
(Ashish K Bhatt)  
Company Secretary

## EXPLANATORY STATEMENT

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

The following Explanatory Statement sets out all the material facts relating to the Special Business under Item No. 6 of the accompanying Notice dated 28th May, 2009.

### In Respect of Item No. 6

As per the provisions of Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of a Public Company can not borrow money (a part from temporary loans obtained from the Company's Bankers in the ordinary course of business) in excess of the Company's Paid-up Capital and Free Reserves ( that is reserves not set apart for any specific purpose) without the consent of the shareholders in the General Meeting.

The shareholders of the Company at the Extra-Ordinary General Meeting held on 25th October, 2005 authorised the Board of Directors to borrow upto Rs.100 Crores. As the Business of the Company has grown rapidly since that time and increased need was felt to borrow money to meet the working capital and other requirements of the Company. The turnover over of the Company has increased almost 2.5 times, that in itself suggest the increased business operations and thus increased requirement of working Capital and other term borrowing.

The Resolution set out at item No.6 of the notice is put forth for consideration of the members as a Special resolution pursuant to section 293(1)(d) of the Companies Act, 1956, authorizing the Board of Directors to borrow upto a sum of Rs.250 Crores.

Your Directors recommend the above Resolution for your approval.

None of The Directors of the Company are interested in the aforesaid resolution.

### In Respect of Item No. 7

Mr. Vijay Agarwal, (60), Chairman and Managing Director of the Company, has 36 years of experience in material handling and heavy engineering industry. He has done B.E. (Mechanical) & MBA from FMS, Delhi and is looking after overall management and planning of the Company. Mr. Vijay Agarwal started his career with Bhartiya Cuttler Hammer Ltd., and worked there for ten years. Thereafter, he joined Escorts Ltd, in the Industrial Equipment Division as Senior Divisional Manager and worked there for eight years in different departments and looked after Purchase, Production and after sales service functions. From 1993, he was Business Head in Delhi Automobiles Ltd., for a period of three years. He then started Action Construction Equipments (P) Ltd. in the year 1995.

Under his able guidance only, the Company, from a mere turnover of Rs.8 crores in the FY year 1995-96, posted a turnover of Rs. 401 crore approx. in the FY 2007-08 and Rs. 429 crore in FY2008-09. Profit of the Company rose from a mere Rs.14 Lac in FY 1995-96 to Rs. 36 Crores approx. in the FY 2007-08. The Company was initially promoted Mr. Vijay Agarwal only, along with his wife, and two other persons. It was due to his persistence and never tiring efforts, that the Company is able to achieve the unexpected profits and growth in yesteryears. He has single handedly mentored the Company and has proved to





**Action Construction Equipment Ltd.**

be a guiding light throughout all these years of the Company's journey. Under his unmatched guidance, the Company was able to win many awards and was able to obtain various recognized certifications for the product of the Company.

During the Financial year 2008-2009 the Company registered inadequate profit, due to which Company was unable to pay the due remuneration, as should have been paid to Mr. Vijay Agarwal, Chairman and Managing Director.

Thus it is proposed to take requisite approval from the shareholders for the same, that in case Company registers inadequate profits, same can be paid in accordance with the provisions of Section 198, 309, 268, 269 and other applicable provisions read together with Schedule-XIII of the Companies Act, 1956 and if required under the said provisions together with the Central Government approval. Thus following remuneration is proposed for approval of the shareholders:-

S No	REMUNERATION	DETAILS
I.	Basic Salary	Rs. 15,00,000/- Per Month
II.	Commission	Equal to 1% of net profit calculated as per Section 349 of the Companies Act, 1956.
III.	Perquisites	The perquisites are allowed in addition to salary and commission, however, such perks are restricted to an amount equal to one month salary during each year:
IV.	Ex-Gratia	As per rules framed by the Company for employees of the Company in this respect.
V.	Housing	Free residential accommodation or House Rent Allowance equal to 40 per cent of the basic salary. Free furnishing is provided by the Company along with other amenities.
VI.	Medical Reimbursement	Reimbursement of medical expenses incurred by the appointee (including mediclaim insurance premium) on self and his family, subject to a ceiling of one month's salary in a year or five months' salary over a period of five years.
VII.	Leave Travel Concession	Reimbursement of the expenses incurred on leave travel by the appointee on self and his family in accordance with the rules specified by the Company.
VIII.	Club Fees	Fees of clubs subject to a maximum of two clubs. This does not include admission and life membership fees.
IX.	Personal Accident Insurance	Premium not to exceed Rs. 10000/- per annum.
X.	Car	Free use of Company's car for official work along with driver at Company's cost and, if no car is provided reimbursement of the conveyance shall be made on actual basis as per claims made by him.
XI.	Provident Fund & Other Funds	Contribution to Provident Fund & Family Pension Fund, superannuation fund or annuity fund subject to the rules framed by the Company in this respect.
XII.	Gratuity	Gratuity payable not exceeding half a month's salary for each completed year of service subject to the ceiling prescribed by the Central Government from time to time.
XIII.	Telephone	Free use of telephone at his residence provided that personal long distance calls on the telephone shall be billed by the Company to him.
XIV.	Earned Privilege Leave	Earned Privilege Leave encashment subject to the condition that the leave accumulated but not availed be allowed to encash for 15 days salary for every year completed services at the end of the tenure.

The Board of Directors thus recommends passing of resolution(s) as set out in item No.7 to this Notice.

The resolution(s) passed by Remuneration Committee and approved by the Board of Directors of the Company in its meeting held on 28th May, 2009 are open to shareholders

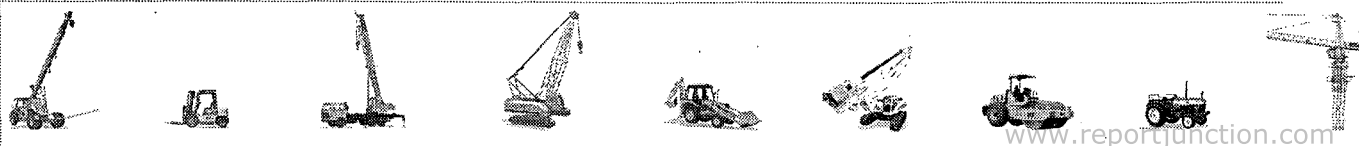
inspection, on all business days, at its registered office, between 10:30 a.m. to 12:30 p.m.

Except Mr. Vijay Agarwal, Mrs. Mona Agarwal, Whole-Time Director and Mr. Sorab Agarwal, Whole-Time Director of the Company, no other director is concerned or interested in the resolution(s) as set out in Item No.7.

By Order of the Board of Directors

Place: New Delhi  
Date : 28<sup>th</sup> May 2009

**Ashish K Bhatt**  
Company Secretary





**BRIEF RESUME OF DIRECTORS RETIRING BY ROTATION SEEKING RE-ELECTION****Mr. Vijay K. Singh**

**Mr. Vijay K. Singh**, (52), has 30 years of experience in the existing industry. He looks after Production and Quality function. He has done his Diploma in Automobile Engineering from the Board of Technical Education, U.P. Under his supervision, the Company has increased its manufacturing capability year on year. He has worked for 17 years in Escorts Construction Equipment Ltd.

Mr. Vijay K. Singh holds 506 Equity shares of Rs. 2/- each in the company. Except, Mr. Vijay K. Singh, no other Director is interested in the Resolution, relating to his appointment.

**Dr. Amar Singhal**

**Dr. Amar Singhal** aged 54 years is MBBS & MD in General Medicines, and has a total experience of 26 years. He started

his carrier with GB Pant and Irwin Hospital as Senior Resident Cardiologist. He has worked as Specialist Cardiologist, in the Ministry of Health, Saudi Arabia during 1986 to 1989. He also held limited license of New York State Medical Board, while working as Interventional Cardiology fellow in New York-USA. He has also worked as Consultant Cardiologist in various Heart Institutes in India. At present, he is working with Escorts Heart Institute and Research Centre, New Delhi and Maharaja Agrasen Heart Institute and Research Centre, New Delhi as Interventional Cardiologist.

He holds 146485 Equity shares of Rs. 2/- each in the company. Except, Dr. Amar Singhal, no other Director is interested in the Resolution, relating to his appointment.

**STATEMENT OF PARTICULARS PURSUANT TO SCHEDULE-XIII OF THE COMPANIES ACT, 1956****I. GENERAL INFORMATION**

S.No	PARTICULARS/SUBJECT	INFORMATION
1.	Nature of Industry	Manufacturing of Cranes.
2.	Date or expected date of Commercial production	13th January, 1995
3.	In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.
4.	Financial performance based on given indicators.	In the FY 2007-2008, the Company made turnover of Rs. 401 Crore approx. and profit before tax Rs. 46 Crore. Whereas in the present year, the Company registered turnover of Rs. 429 Crore and profit before tax of Rs. 22 Crore. There has always been a steep in the profits of the Company, except for the present year and that too because the Company has to play on margins, due to slowdown in the economy. The Company expects a continuous trend of growth in turnover, as well as profits. The other financial figures are given in the attached Annual Report of the Company for the FY 2008-09.
5.	Export performance and net foreign exchange collections	Export of goods on FOB basis: Rs. 1352 lac (Previous Year Rs. 970 lac). No other Export Earning have been made by the Company
6.	Foreign Investments or Collaborators, if any	No such investment or collaboration except minor share holding of Non Residents Indians.





## II. INFORMATION ABOUT THE APPOINTEE

1.	Background Details	<p><b>Mr. Vijay Agarwal</b>, (59), Chairman and Managing Director of the Company, has 36 years of experience in material handling and heavy engineering industry. He has done B.E. (Mechanical) &amp; MBA from FMS, Delhi and is looking after overall management and planning of the Company. Mr. Vijay Agarwal started his career with Bhartiya Cuttler Hammer Ltd., and worked there for ten years. Thereafter, he joined Escorts Ltd, in the Industrial Equipment Division as Senior Divisional Manager and worked there for eight years in different departments and looked after Purchase, Production and after sales service functions. From 1993, he was Business Head in Delhi Automobiles Ltd., for a period of three years. He then started Action Construction Equipments (P) Ltd. in the year 1995.</p> <p>Under his able guidance only, the Company, from a mere turnover of Rs.8 crores in the FY year 1995-96, posted a turnover of Rs. 401 crore approx. in the FY 2007-08 and Rs. 429 Crore in FY2008-09. Profit of the Company rose from a mere Rs.14 Lac in FY 1995-96 to Rs. 36 Crore approx. in the FY 2007-08. Company was initially promoted Mr. Vijay Agarwal only, along with his wife, and two other persons. It was due to his persistence and never tiring efforts, that the Company is able to achieve the unexpected profits and growth in yesteryears. He has single handedly mentored the Company and has proved to be a guiding light throughout all theses years of the Company's journey. Under his unmatched guidance, the Company was able to win many awards and was able to obtain various recognized certifications for the product of the Company.</p>																																													
2.	Past Remuneration	<table border="1"> <thead> <tr> <th>S No</th><th>REMUNERATION</th><th>DETAILS</th></tr> </thead> <tbody> <tr> <td>I.</td><td>Basic Salary</td><td>Rs. 15,00,000/- Per Month</td></tr> <tr> <td>II.</td><td>Commission</td><td>Equal to 1% of net profit calculated as per Section 349 of the Companies Act, 1956.</td></tr> <tr> <td>III.</td><td>Perquisites</td><td>The perquisites are allowed in addition to salary and commission as per details given below, however, such perks are restricted to an amount equal to one month salary during each year:-</td></tr> <tr> <td>a)</td><td>Housing</td><td>Free residential accommodation or House Rent Allowance equal to 40 per sent of the basic salary. Free furnishing is provided by the Company along with other amenities.</td></tr> <tr> <td>b)</td><td>Medical Reimbursement</td><td>Reimbursement of medical expenses incurred by the appointee (including medi-claim insurance premium) on self and his family, subject to a ceiling of one month's salary in a year or five months' salary over a period of five years.</td></tr> <tr> <td>c)</td><td>Leave Travel Concession</td><td>The expenses incurred on leave travel by the appointee on self and his family is reimbursed once in a two year in accordance with the rules specified by the Company.</td></tr> <tr> <td>d)</td><td>Club Fees</td><td>Fees of clubs subject to a maximum of two clubs. 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Basic Salary	Rs. 15,00,000/- Per Month	II.	Commission	Equal to 1% of net profit calculated as per Section 349 of the Companies Act, 1956.	III.	Perquisites	The perquisites are allowed in addition to salary and commission as per details given below, however, such perks are restricted to an amount equal to one month salary during each year:-	a)	Housing	Free residential accommodation or House Rent Allowance equal to 40 per sent of the basic salary. Free furnishing is provided by the Company along with other amenities.	b)	Medical Reimbursement	Reimbursement of medical expenses incurred by the appointee (including medi-claim insurance premium) on self and his family, subject to a ceiling of one month's salary in a year or five months' salary over a period of five years.	c)	Leave Travel Concession	The expenses incurred on leave travel by the appointee on self and his family is reimbursed once in a two year in accordance with the rules specified by the Company.	d)	Club Fees	Fees of clubs subject to a maximum of two clubs. This does not include admission and life membership fees.	e)	Personal Accident Insurance	Premium not to exceed Rs. 10000/- per annum.	f)	Car	Free use of Company's car for official work along with driver at Company's cost and, if no car is provided reimbursement of the conveyance shall be made on actual basis as may be claims made by him.	g)	Provident Fund & Other Funds	Contribution to Provident Fund & Family Pension Fund, superannuation fund or annuity fund subject to the rules framed by the Company in this respect.	h)	Gratuity	Gratuity payable not exceeding half a month's salary for each completed year of service subject to the ceiling prescribed by the Central Government from time to time.	i)	Telephone	Free use of telephone at his residence provided that personal long distance calls on the telephone shall be billed by the Company to him.	j)	Earned Privilege Leave	Earned Privilege Leave encashment subject to the condition that the leave accumulated but not availed be allowed to encash for 15 days salary for every year completed services at the end of the tenure.	k)	Bonus	Bonus as per rules framed by the Company in this regard
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