



**THE YASH BIRLA GROUP**

# **Birla Precision Technologies Limited**

**27<sup>th</sup> Annual Report  
2013 - 14**

**BPT**  
**BIRLA**  
PRECISION

ISO 9001 : 2008 &  
ISO 14001 : 2004  
CERTIFIED



**BIRLA PRECISION TECHNOLOGIES LIMITED****Registered Office:**

B-15/4, M.I.D.C., Waluj, Aurangabad – 431 133 (M.S.) Tel. No.: (0240) 2554300, Fax No.: (0240) 2554302  
 Visit us at: [www.birlaprecision.in](http://www.birlaprecision.in) Email id: [info@birlaprecision.com](mailto:info@birlaprecision.com)  
 Corporate Identity Number (CIN): L29220MH1986PLC041214  
 Scrip Code (BSE): 522105

<b>BOARD OF DIRECTORS</b>	: Shri M.S. Arora - Managing Director Shri M.S. Adige - Director Shri Augustine Kurias - Director Smt. Avanti Birla - Director Shri Shailesh Sheth - Director (Resigned w.e.f 17th October, 2013)
<b>COMPANY SECRETARY</b>	: Ms. Rupa Khanna
<b>AUDITORS</b>	: M/s. Thakur, Vaidyanath Aiyar & Co. Chartered Accountants 11-B Vatsa House, (RPI House), Janmabhoomi Marg, Fort, Mumbai - 400001
<b>BANKERS</b>	: ICICI Bank Limited Bank of Maharashtra Bank of Baroda Oriental Bank of Commerce HDFC Bank Limited
<b>REGISTERED OFFICE</b>	: B-15/4, M.I.D.C., Waluj, Aurangabad – 431 133 (M.S.)
<b>PLANT LOCATIONS</b>	: Tool Holder / Precision Component Division: ❖ B- 15/4, M.I.D.C., Waluj, Aurangabad – 431 133 Tool Division: ❖ B-15/3/1, M.I.D.C., Waluj, Aurangabad – 431 133 ❖ 62/63, M.I.D.C., Satpur, Nashik – 422 007 Foundry Division: ❖ B-15/3/2, M.I.D.C., Waluj, Aurangabad – 431 133
<b>REGISTRAR &amp; SHARE TRANSFER AGENTS</b>	: M/s. Karvy Computershare Private Limited 17-24, Vittalrao Nagar, Madhapur, Hyderabad – 500 081 (A.P.)

**27<sup>th</sup> Annual General Meeting**

at 11.30 a.m.  
 at Registered Office of the Company at  
 B-15/4, M.I.D.C., Waluj,  
 Aurangabad - 431 133 (M.S.)

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## **NOTICE OF THE 27<sup>TH</sup> ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN THAT THE 27<sup>TH</sup> ANNUAL GENERAL MEETING OF BIRLA PRECISION TECHNOLOGIES LIMITED will be held on Saturday 27<sup>th</sup> day of September, 2014 at 11.30 a.m., at the Registered Office of the Company at B-15/4, M.I.D.C., Waluj, Aurangabad - 431 133 to transact the following business:-

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date together with the Report of Directors and the Auditors thereon.
2. To appoint a Director in place of Smt. Avanti Birla (DIN 00167903), who retires by rotation, and being eligible, offers herself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with rule made there under, M/s. Thakur, Vaidyanath Aiyar & Co., Chartered Accountants, (Registration no. 000038N) be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting of the Company.

**RESOLVED FURTHER THAT** the Statutory Auditors be paid such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Statutory Auditors, plus reimbursement of out of pocket expenses”.

### **SPECIAL BUSINESS:**

4. **TO APPOINT MR. AUGUSTINE KURIAS (DIN 00168563) AS AN INDEPENDENT DIRECTOR:**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013) Mr. Augustine Kurias (DIN 00168563) Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing this candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for three consecutive years for a term upto the conclusion of the 30<sup>th</sup> Annual General Meeting of the Company in the calendar year 2017”.

5. **TO APPOINT MR. MOHANDAS SHENOY ADIGE (DIN 00280925) AS AN INDEPENDENT DIRECTOR:**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 ) Mr. Mohandas Shenoy Adige (DIN 00280925) Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing this candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for three consecutive years for a term upto the conclusion of the 30<sup>th</sup> Annual General Meeting of the Company in the calendar year 2017”.

6. **TO RE-APPOINT MR. MAHENDER SINGH ARORA (DIN 01697062) AS MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER:**

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

**“RESOLVED THAT** in accordance with the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the Companies Act, 2013, the approval of the Members be and are hereby



accorded for the re-appointment of Mr. Mahender Singh Arora (DIN 01697062) as Managing Director and Chief Executive Officer of the Company for a period of three years with effect from 30<sup>th</sup> July, 2014, including remuneration, on the terms and conditions as set out in the explanatory statement annexed hereto with liberty to the Board of Directors (hereinafter referred to as "Board" which term shall be deemed to include "Remuneration committee" of the Board) to alter and vary the terms and conditions of the said re-appointment and/ or remuneration in accordance with the limits specified in Schedule V and other applicable provisions of the Companies Act, 2013, or any amendments thereto and as may be agreed to between the Board and Mr. Mahender Singh Arora from time to time.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, and take all such steps as may be necessary, proper or expedient for giving effect to this resolution".

**7. WAIVER OF RECOVERY OF EXCESS REMUNERATION:**

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

**"RESOLVED THAT** subject to the approval of the Central Government, approval be and is hereby accorded for waiver of recovery of excess remuneration of an amount ₹ 53.54 lacs paid to Mr. M. S. Arora, Managing Director of the Company for the financial year 2013-14".

**8. AUTHORITY FOR BORROWING POWER UPTO ₹ 100 CRORES**

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

**"RESOLVED THAT** in supersession of all earlier resolutions to the effect and pursuant to provisions of Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modifications or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board") to borrow, from time to time, any sum or sums of monies, on such terms and conditions as the Board may deem fit, together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate, for the time being, of paid up capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose), provided that the total amount of monies so borrowed by the Board shall not at any time exceed the limit of ₹100 Crores (Rupees One Hundred Crores Only).

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to do all such steps as may be necessary, desirable or expedient for giving effect to this resolution".

**9. TO APPROVE CREATION OF CHARGE/SECURITY OVER THE ASSETS/UNDERTAKING OF THE COMPANY IN RESPECT OF BORROWING:**

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

**"RESOLVED THAT** in supersession of all earlier resolutions to the effect, the consent of the Company be and is hereby accorded under Section 180(1)(a) and any other applicable provisions of Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof, for the time being in force) to the Board of Directors of Company (hereinafter referred to as "the Board") to Mortgage and/or hypothecate and/or charges created only on such conditions as they may deem fit, all or part of the movable and/or immovable property of the Company where so ever situated, both present and future, and/or the whole or any part of the undertaking(s) of the Company in such manner as the Board may direct in certain events in favour of Lender(s)/Agents(s)/Trustee(s)/Financial Institutions/Bank(s) and other investing agencies to secure Rupee/Foreign Currency Loans, bonds, securities or other debt instruments of an equivalent aggregate not exceeding ₹100 Crores (Rupees One Hundred Crores Only) together with interest at the agreed rates and compound/additional interest, commitment charges, premium on prepayment or on redemption, costs, charges, expenses including any increase as a result of devaluation/revaluation/fluctuation in the rates of exchange and all other money payable by the Company to the Lender(s)/Agent(s)/ Trustee(s)/ Financial Institutions/ Banks/ other investing agencies under the arrangements entered into/ to be entered by the Company in respect of said loans, bonds, securities or other instruments.



**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to do all such steps as may be necessary, desirable or expedient for giving effect to this resolution”.

By Order of Board of Director

Place: Mumbai

Date: 14<sup>th</sup> August, 2014

**Rupa Khanna**  
Company Secretary

**NOTES:**

1. The relative Explanatory Statements pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business set out in the Notice is annexed hereto.
2. 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 SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. Members / Proxies are requested to bring their attendance slips duly filled in along with their copies of the Annual Report to the Meeting for attending the Meeting.
4. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the company a certified copy of the Board resolution authorizing their representative to attend and vote at the Meeting.
5. In terms of the provisions of the Companies Act, 2013 and the Listing Agreement entered into with the Stock Exchange(s) where shares of the Company are listed, the Register of Members and Share Transfer Books will remain closed from 24<sup>th</sup> September, 2014 to 27<sup>th</sup> September, 2014 (both days inclusive) for the purpose of Annual General Meeting.
6. Pursuant to the provisions of the Companies Act, 1956 dividend declared at the Annual General Meeting of the Company held on 27<sup>th</sup> September, 2007, 18<sup>th</sup> September, 2008 and 30<sup>th</sup> September, 2009 if not claimed within seven years of such declaration respectively will be transferred to Investor Education and Protection Fund (IEPF). Members who have not encashed their dividend warrants for the aforesaid years are advised to send requests for issuance of duplicate dividend warrants (in case they have not received the Dividend Warrants) and / or revalidation of unencashed Dividend Warrants still held by them, to the Registrars and Transfer Agents of the Company under the heading “Dividend Revalidation”. It may also be noted that once the unclaimed dividend is transferred to IEPF, as above, no claim shall lie in respect thereof.
7. Pursuant to the provisions of Section 205A (5) and 205C of the Companies Act, 1956, the details of the Dividend paid by the Company to the Investor Education and Protection Fund (IEPF), if they remain unclaimed by the shareholders is given below:

Date of Declaration of Dividend	Dividend for the year	Due Date of Transfer
27 <sup>th</sup> September, 2007	2006-07	25 <sup>th</sup> September, 2014

8. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically. Members holding shares in electronic mode are requested to ensure to keep their email addresses updated with the Depository Participants. Members holding shares in physical mode are also requested to update their email addresses by writing to the Registrar and Transfer Agent of the Company at the address mentioned below quoting their folio number(s).

M/s. Karvy Computershare Private Limited  
17-24, Vittalrao Nagar, Madhapur, Hyderabad – 500081 (A.P)

9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to M/s. Karvy Computershare Private Limited
10. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice.



11. Electronic copy of the Notice and Annual Report for the financial year 2013-14 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for the financial year 2013-14 is being sent in the permitted mode.

12. Voting through electronic means.

Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rule 2014, and clause 35B of the listing agreement, the Company is providing facility to exercise votes on the items of business given in the Notice, to members holding shares as on 22<sup>nd</sup> August, 2014 being cut off date (i.e. record date) fixed for determining voting rights of member, entitled to participate in the e-voting process, through the e-voting platform provided by Karvy Computershare Private limited. ("Karvy").

- a) The e-voting period commences on 21st September, 2014 (9.00 AM IST) and ends on 23rd September, 2014 (6.00 PM IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22nd August, 2014, may cast their vote electronically. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Further the Members who have casted their vote electronically shall not vote by way of poll, if held at the meeting.
- b) The Board of Directors has appointed Mr. Amit S Kochar, Practicing Company Secretary as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner

The instructions for e-voting are as under:

- I. A. In case a Member receives an email from Karvy [for members whose email IDs are registered with the Company/Depository Participants (s)]:
  - i. Launch internet browser by typing the URL: <http://evoting.karvy.com>.
  - ii. Enter the login credentials (i.e. User ID and password mentioned below). Your Folio No. / DP ID- Client Id will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
  - iii. After entering these details appropriately, click on "LOGIN".
  - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
  - v. You need to login again with the new credentials.
  - vi. On successful login, the system will prompt you to select the "EVENT" i.e., Birla Precision Technologies Limited.
  - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut off Date under "**FOR/AGAINST**" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together not exceeding your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the shareholder does not indicate either "**FOR**" or "**AGAINST**" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
  - viii. Shareholders holding multiple folios/ demat accounts shall choose the voting process separately for each folio/ demat accounts.
  - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.

- x. You may then cast your vote by selecting an appropriate option and click on “Submit”.
  - xi. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you have voted on the resolution, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
  - xii. Corporate / Institutional members (i.e. other than Individuals, HUF, NRI etc.) are required to send a scanned copy of Board Resolutions in pdf format to the scrutinizer at email [amitkchar\\_100@yahoo.co.in](mailto:amitkchar_100@yahoo.co.in).
- B. In case a Member receives physical copy of the Notice of AGM [ for members whose email IDs are not registered with the Company/ Depository Participants (s)].
- i. Launch internet browser by typing the URL: <http://evoting.karvy.com>.
  - ii. Enter the login credentials (i.e User Id and password mentioned in the e-voting form)
  - iii. Please follow all steps from Sl. No. (iii ) to Sl. No. (xii) above, to cast vote.
- 2. In case of any queries relating to e-voting please visit Help & FAQ section of <http://evoting.karvy.com> or contact Karvy Computershare Private Limited on 18003454001 (toll free).
  - 3. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
  - 4. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes and make Scrutinizers report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
  - 5. The Results shall be declared on or after the AGM of the Company and the resolution will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolution(s).
  - 6. The results declared along with the Scrutinizer’s report shall be placed on the Company’s Website: [www.birlaprecision.in](http://www.birlaprecision.in) and on the website of the service provider (<http://evoting.karvy.com>) within two days of passing of the resolutions and shall also be communicated to BSE Limited.
13. Members are requested to:-
- a. bring their copies of the Annual Report at the time of attending the Annual General Meeting.
  - b. complete the attendance slip and deliver the same at the entrance of the meeting hall.
  - c. send their questions at least 10 days in advance before the Annual General Meeting about any further information on accounts or other related topics in the Annual Report so as to enable the Company to answer their question satisfactorily.
14. The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail address with M/s. Karvy Computershare Private Limited -Registrar and Transfer Agents of the Company.

**By Order of the Board of Directors**

Place: Mumbai  
Date: 14<sup>th</sup> August, 2014

**Rupa Khanna**  
Company Secretary

**Registered Office:**

B-15/4, M.I.D.C., Waluj,  
Aurangabad – 431 133  
CIN: L29220MH1986PLC041214  
Website: [www.birlaprecision.in](http://www.birlaprecision.in)  
Email Id: [info@birlaprecision.com](mailto:info@birlaprecision.com)





## ANNEXURE TO NOTICE

Explanatory statement pursuant to section 102 of the Companies Act, 2013 (the Act), sets out all material facts relating to the business mentioned at item No. 4 to 9 of the accompanying Notice:

### Item No. 4

Mr. Augustine Kurias is a Non- Executive Independent Director of the Company. He joined the Board of Directors of the Company on 30<sup>th</sup> July, 2009.

Mr. Augustine Kurias is a Chairman of the Audit Committee and Shareholders/Investors Grievance Committee and a member of Remuneration Committee.

Mr. Augustine Kurias period of office as a Director is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Augustine Kurias being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for three consecutive years up to the conclusion of the 30<sup>th</sup> Annual General Meeting of the Company in the calendar year 2017. A notice under Section 160 of the Companies Act, 2013 has been received from a member proposing Mr. Augustine Kurias as a candidate for the office of Director of the Company.

Mr. Augustine Kurias is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013 and has given his consent to act as Director. The Company has also received a declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of Companies Act, 2013.

In the opinion of the Board, Mr. Augustine Kurias fulfills the conditions specified in the Companies Act, 2013 and Rules made there under and clause 49 of the Listing Agreement for his appointment as an Independent Director of the company and is independent of the management.

Mr. Augustine Kurias is a M.A. (Eco), Certified Accountant of Indian Institution of Bankers academic qualification. He has almost decade of experience in the finance sector. He has worked as a part of the Top Management with various companies over a span of 16 years in the capacity of Managing Director, Director, CEO and Advisor prior to joining of Companies. He retired as a Senior Executive from the Reserve Bank of India with wide Experience in Banking Supervision Departments with in Reserve Bank of India. He was also Director in Public Sector Banks and Financial institution, subsequently he was enrolled as of panel of Consultant in the World Bank an UNO's Food and Agriculture Organisation.

Except Mr. Augustine Kurias being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.4.

### Item No. 5

Mr. Mohandas Shenoy Adige is a Non- Executive Independent Director of the Company. He joined the Board of Directors of the Company on 2<sup>nd</sup> May, 2008.

Mr. Mohandas Shenoy Adige is a Chairman of the Remuneration Committee and a member of Audit Committee and Shareholders/Investors Grievance Committee.

Mr. Mohandas Shenoy Adige period of office as a Director is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Mohandas Shenoy Adige being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for 3 (three) consecutive years up to the conclusion of the 30<sup>th</sup> Annual General Meeting of the Company in the calendar year 2017. A notice under Section 160 of the Companies Act, 2013 has been received from a member proposing Mr. Mohandas Shenoy Adige as a candidate for the office of Director of the Company.

Mr. Mohandas Shenoy Adige is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013 and has given his consent to act as Director. The Company has also received a declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of Companies Act, 2013.

In the opinion of the Board, Mr. Mohandas Shenoy Adige fulfills the conditions specified in the Companies Act, 2013 and Rules made there under and clause 49 of the Listing Agreement for his appointment as an Independent Director of the company and is independent of the management.

Mr. Mohandas Shenoy Adige is a B.Sc (Metallurgical Engineering), from BHU, underwent M. Met Course in Iron and Steel Technologies from Sheffield University, U.K. Diploma holder in Operational & Financial Management from JBIMS, Mumbai University. Besides being in General Management as CEO of Companies for over 20 years, he has Cross Functional experience in Manufacturing Industry with exposure to various functional areas including techno-commercial areas of project management. He is a member of

Regional Council of Confederation of Indian Industry (CII), All India Management Association, Bombay Management Association (BMA), and a past member of Indian Institute of India Foundrymen, Indian Institute of Metals and Indian Institute of Materials Management.

Except Mr. Mohandas Shenoy Adige being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.5.

#### **Item No. 6**

Mr. Mahender Singh Arora, aged 52 years is a qualified BE (Mechanical) from REC, Bhopal. He has more than two decades of experience in the field of Operations, Marketing, Export and General Management. Prior to joining the Company, he was the Chief Operating Officer of Man Industries Limited. He has also held various senior level positions in Welspun Gujarat Stahl Rohren Limited, PSL Limited and Voltas Limited. The Company has benefited from his rich and varied experience and continues to do so.

The Board of Directors of the Company (the 'Board'), at its meeting held on 27<sup>th</sup> May, 2014, has approved the re-appointment of Mr. Mahender Singh Arora as Managing Director for a period of 3 years from 30<sup>th</sup> July, 2014. Subject to the approval of members in general meeting. It is proposed to seek the members approval for re-appointment and remuneration payable to Mr. Mahender Singh Arora as Managing Director and Chief Executive Officer on the following terms and conditions.

#### **I. SALARY/ PERQUISITES/BENEFITS/ALLOWANCE**

1. Shri M. S. Arora shall be entitled to a salary, perquisites, allowances & benefits not exceeding ₹ 75,00,000/- per annum.
2. Perquisites, benefits and allowance includes House Rent Allowance, Furnishing Allowance, House Maintenance, gas, electricity, water, Medical Re-imbursement, Leave Travel Concession for self & family, Car Maintenance and Drivers allowance, etc. and any other perquisites, benefits & allowances as per the policy / rules of the Company that may be in force. Allowances and perquisites shall be valued as per the Income Tax Rules, wherever applicable and in the absence of any such Rules, the perquisites shall be evaluated at actual costs to the Company.
3. Shri M.S. Arora shall also be entitled to Company's contribution to Provident Fund, Superannuation Fund, Pension Fund, Gratuity, Encashment of Leave at the end of his tenure as Managing Director, as per the policies/ rules of the Company and the same shall not be included for the purposes of computation of perquisites.

#### **II. COMMISSION**

Shri M.S. Arora shall be entitled to commission over and above the remuneration paid to him at the rate not exceeding 5% (five percent) of the Net Profit of the Company calculated under Sections 198 of the Companies Act 2013.

#### **Item No. 7**

During the financial year 2013-14, Mr. M.S. Arora, Managing Director, was entitled to remuneration as (i) salary, perquisites, allowances not exceeding ₹ 75 lacs per annum (ii) Commission @ 5% (five percent) of the Net Profit of the Company. Accordingly he was paid total remuneration of ₹ 101.54 lacs per annum. As per schedule XIII of the Companies Act, 1956 Mr. M.S. Arora was entitled for remuneration of ₹ 48 Lacs per annum. As a result, excess remuneration paid/provided to Mr. M. S. Arora during the financial year 2013-14 was ₹ 53.54 lacs, and hence requires approval of the shareholders and also the approval of Central Government for waiver of recovery of excess remuneration paid. As the application to Central Government would be made after approval by members, the company would apply for the above under section 197(1) of the Companies Act, 2013.

None of the Directors except Mr. M.S. Arora, are concerned or interested in the said resolution.

The Board recommends the resolution as mentioned in Item no. 7 of the notice.

#### **Item No. 8**

Section 180(1)(c) of the Companies Act, 2013, stipulates that Board of Directors of the Company cannot, except with the consent of the members in General Meeting, borrow moneys, apart from the temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of paid up capital and free reserves of the company i.e. to say, reserves not set apart for any specific purpose.

The consent of the shareholders is therefore sought in accordance with the provisions of Section 180 (1)(c) of the Companies Act, 2013 to enable the Directors of the Company to borrow money to the extent of ₹ 100 Crores (Rupees One Hundred Crores Only).

The proposed offers are in the interest of the Company and your Directors recommend the resolutions at item No. 8 of the accompanying notice for approval of the members as a Special Resolution.

None of the Directors, Managers, and Key Managerial Personnel or their relatives is in any way concerned or interested, financially or otherwise in this resolutions set out at item No. 8 of the notice.