

19th
ANNUAL REPORT
2010 - 2011



Nineteenth Annual Report 2010-11

BOARD OF DIRECTORS

SHRI VIJENDRA KUMAR MITTAL	:	Chairman And Managing Director
SHRI AMAN MITTAL	:	Whole Time Director
SMT. MADHU MITTAL	:	Whole Time Director
SHRI ANSH MITTAL	:	Whole Time Director
SHRI VIRENDRA KUMAR GUPTA	:	Whole Time Director
SHRI ANKUR GARG	:	Independent Non - Executive Director
SHRI HAKIKAT SINGH	:	Independent Non - Executive Director
SHRI OM PRAKASH VERMA	:	Independent Non - Executive Director
SHRI DINESH KAUSHAL	:	Independent Non - Executive Director
SHRI ASHOK KUMAR AGARWAL	:	Independent Non - Executive Director

AUDITORS

SATISH SINGLA & CO.
CHARTERED ACCOUNTANTS
1ST FLOOR, SCO 107, J&K BANK BUILDING
SECTOR-16, FARIDABAD (HARYANA)

REGISTRAR & TRANSFER AGENT

BEETAL FINANCIAL & COMPUTER SERVICES (P) LTD.
BEETAL HOUSE, 3RD FLOOR, 99, MADANGIR,
BEHIND LOCAL SHOPPING CENTRE,
NR. DADA HARSUKHDAS, NEW DELHI-110062

COMPLIANCE OFFICER

SHRI VIRENDRA KUMAR GUPTA

REGISTERED & CORPORATE OFFICE

35, DLF INDUSTRIAL ESTATE - I
FARIDABAD - 121 003 (HARYANA)

BANKER

STATE BANK OF INDIA, Faridabad
STATE BANK OF INDIA, Bangluru
HDFC BANK LTD., Faridabad
HDFC BANK LTD., Bangluru
HDFC BANK LTD., Rajkot
CITI BANK, Faridabad

WORKS : PLANT LOCATION

- 35, DLF INDUSTRIAL ESTATE-I, FARIDABAD (HARYANA)
- 83, DLF INDUSTRIAL ESTATE-I, FARIDABAD (HARYANA)
- 45-B, PH-II, PEENYA INDL. AREA, BANGLURU, KARNATAKA
- G-1815, LODHIKA GIDC METODA (RAJKOT)

AGM-2011

DATE : 31.08.2011
DAY : Wednesday
TIME : 3:00 P.M.

VENUE

RAJASTHAN SEWA SADAN
D-2/5A, SECTOR-10,
FARIDABAD, (HARYANA)

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NOTICE FOR THE ANNUAL GENERAL MEETING

Notice is hereby given that the Nineteenth Annual General Meeting of the Members of Cenlub Industries Limited will be held at Rajasthan Sewa Sadan D-2/5A, Secor-10 Faridabad (Haryana) on Wednesday the 31st August, 2011 at 3.00 P.M to transact the following business (s):

Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2011 and the Profit and Loss Account for the financial year ended on that date together with the Directors' Report and Auditors' Report thereon.
2. To declare a final Dividend for the Financial Year 2010-2011.
3. To appoint a Director in place of Shri Ankur Garg, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Shri Hakikat Singh, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in the place of Shri Om Prakash Verma, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, and to fix their remuneration. M/s Satish Singla & Co. Chartered Accountants, the retiring Auditors of the Company, being eligible, offer themselves for reappointment.

Special Business

7. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution** :
Resolved that in accordance with the applicable provisions of the Companies Act 1956, schedule XIII, any amendment or modification thereof, consent be and is hereby accorded to modification in the terms of remuneration paid or payable to Shri Vijendra Kumar Mittal, the Managing Director of the company with effect from 1st April 2011 as set out in the Explanatory Statement annexed to the Notice convening this meeting, a copy of which had been duly initialed by the Chairman for identification is placed before this meeting.
8. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Ordinary Resolution** :
Resolved that in accordance with the applicable provisions of the Companies Act 1956, schedule XIII, any amendment or modification thereof, consent be and is hereby accorded to modification in the terms of remuneration paid or payable to Shri Aman Mittal, the Whole Time Director of the company with effect from 1st April 2011 as set out in the Explanatory Statement annexed to the Notice convening this meeting, a copy of which had been duly initialed by the Chairman for identification is placed before this meeting.
9. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Ordinary Resolution** :
Resolved that in accordance with the applicable provisions of the Companies Act 1956, schedule XIII, any amendment or modification thereof, consent be and is hereby accorded to modification in the terms of remuneration paid or payable to Shri Ansh Mittal, the Whole Time Director of the company with effect from 1st April 2011 as set out in the Explanatory Statement annexed to the Notice convening this meeting, a copy of which had been duly initialed by the Chairman for identification is placed before this meeting.
10. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Ordinary Resolution** :
Resolved that in accordance with the applicable provisions of the Companies Act 1956, schedule XIII, any amendment or modification thereof, consent be and is hereby accorded to modification in the terms of remuneration paid or payable to Shri Virendra Kumar Gupta, the Whole Time Director of the company with effect from 1st April 2011 as set out in the Explanatory Statement annexed to the Notice convening this meeting, a copy of which had been duly initialed by the Chairman for identification is placed before this meeting.
11. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Ordinary Resolution** :
Resolved that in accordance with the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to approval of shareholders in the General Meeting Smt. Madhu Mittal be and is hereby re-appointed as Executive Director for a further period of three years with effect from 1st April 2011, on such terms & conditions as set out in the explanatory statement attached to the Notice convening this Annual General Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers

conferred by this Resolution) to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.

Resolved further that the Board of Directors of the Company be and are hereby authorised to take such steps as may be necessary, proper or expedient to give effect to this resolution.

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

Resolved that in accordance with the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956, (including any statutory modification (s) or re-enactment thereof for the time being in force) and subject to approval of shareholders in the General Meeting Shri Virendra Kumar Gupta be and is hereby re-appointed as Executive Director for a further period of three years with effect from 1st August 2011, on such terms & conditions as set out in the explanatory statement attached to the Notice convening this Annual General Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.

Resolved further that the Board of Directors of the Company be and are hereby authorised to take such steps as may be necessary, proper or expedient to give effect to this resolution.

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

"Resolved that pursuant to the provision of clause 49 of the listing agreement with the Stock Exchange, the consent of the company be and is hereby accorded for payment of Rs.4000/- (Rs. Four Thousand only) or such other amount may be approved by the Board of Directors subject to the ceiling prescribed under the Companies Act, 1956 or rules framed there under, as amended from time to time, as sitting fees for each meeting of the Board of Directors or committee(s) thereof, attended by the Non-executive Directors of the Company."

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

"Resolved That in pursuance to the provisions of Sections 293(1)(a) & 293(1)(d) and all other applicable provisions of the Companies Act, 1956 and the Memorandum and Article of Association of the Company, consent of the company be accorded to the Board of Directors to borrow moneys from time to time and, if they think fit, for mortgaging or charging the company's undertaking(s) and any property or any part thereof to secure such borrowings, up to a continuous limit for the time being and from time to time remaining undischarged to the extent of Rs. 50,00,00,000/- (Rupees Fifty Crores Only) (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) even though the moneys to be borrowed together with the moneys already borrowed by the Company may exceed at anytime, 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.

Resolved Further That for the purpose of giving effect to this resolution, the Board or Committee thereof be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable and to settle any question, difficulty or doubt that may arise in this regard and to finalise and execute all documents and writings as may be necessary, proper, desirable or expedient."

For Cenlub Industries Limited

Date: 16th July, 2011
Place : Faridabad

Vijendra Kumar Mittal
Chairman & Managing Director

Registered Office :
35, DLF, Industrial Estate-1
Faridabad-121003(Haryana)

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY . THE PROXIES TO BE EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will be closed from Monday, 22nd August,-2011 to Wednesday, 31st August, 2011 (both days inclusive). In connection with the ensuing Annual General Meetings and for purpose of determining the entitlement of dividend, if any, declared by the Company.
3. Members who hold shares in dematerialized form are requested to bring their DP ID and Client Id numbers for easy identification of attendance at the meeting.
4. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days between 10 A.M. to 2 P.M. and up to the date of the Meeting.
5. Shri Ankur Garg , Shri Hakikat Singh and Shri Om Prakash Verma, Directors retire by rotation and being eligible offer themselves for re-appointment. The Information pursuant to Corporate Governance clause 49 of the Listing Agreement(s) is furnished in the statement of Corporate Governance and is a part with this Annual Report.
6. The final dividend as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid at par after 31st August, 2011 to (i) those shareholders whose names appear on the Company's Register of Members after given effect to all valid shares transfer in physical form lodged with the company on or before 20th August,2011(ii) in respect of shares held in electronic form to those beneficiaries whose names appear in the statements of beneficial ownership by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the end of business hours on 20th August,2011.
7. For the convenience of the Members, attendance slip is enclosed elsewhere in the Annual Report. Members/Proxy Holders/Authorized Representatives are requested to fill in and affix their signatures at the space provided therein and surrender the same at the venue of the AGM. Proxy/Authorized Representatives of a member should state on the attendance slip as 'Proxy or Authorized Representative' as the case may be.
8. The Directors' Report, Auditors' Report and Audited Balance Sheet as at 31st March 2011 and the Profit and Loss Account for the financial year ended on that date are enclosed.
9. The Company has designated an exclusive e-mail ID called investors@cenlub.in for redressal of shareholders' / investors' complaints / grievances. In case you have any queries / complaints or grievances, then please write to us at the above e-mail address.
10. Members holding shares in electronic form may please note that the 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 remittance of dividend through Electronic Clearing Service (ECS), or for printing on dividend warrants wherever applicable. Members are therefore requested to update their bank account particulars, change of address and other details with their respective Depository Participants for shares held in demat mode and to the Registrar and Share Transfer Agent for shares held in physical form.
11. In terms of Section 109A of the Companies Act, 1956, nomination facility is available to individual shareholders. Members holding shares in physical form may nominate a person in respect of all the shares held by them whether singly or jointly. Members who hold shares in individual name are advised to avail of the nomination facility by filing Form No. 2BV in their own interest. Bank form can be had from Beetal Financial & Computer Services Pvt. Limited on request. Members holding shares in dematerialized form may contact their respective DP's for registration of nomination.
12. The Copies of the Annual Reports will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.
13. In case of any query, Members are requested to send the same to the Company atleast 10 days before the date of the meeting so that information can be made available at the meeting
14. Members are requested to note that no GIFT will be distributed at the meeting

By order of the Board
For **Cenlub Industries Limited**

Date : 16th July,2011
Place : Faridabad

Vijendra Kumar Mittal
Chairman & Managing Director

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

The following Explanatory statement sets out all material facts relating to the Special Business as mentioned in the accompanying Notice:

Item No.7,

The Remuneration Committee of the Board of Directors of your company at its meeting held on 14th July 2011 recommend, approved, subject to the approval of the Members, modification with effect from 1st April 2011 in the terms of remuneration paid or payable to Shri Vijendra Kumar Mittal, Managing Director of the Company. The gist of terms of the agreement entered by the Company with him are given below herewith

01. That Shri Vijendra Kumar Mittal was appointed as Managing Director of the Company for a period of three years w.e.f. 1st June 2010 duly approved by the shareholders in their Annual General Meeting held on 01st September 2010.
02. That the remuneration of Shri Vijendra Kumar Mittal, Managing Director of Rs. 2,00,000/- per month and perquisites as approved by the share holders in their Annual General Meeting held on 01st September 2010.
03. That the remuneration of Shri Vijendra Kumar Mittal, be increased from the present Salary of Rs. 2,00,000/- to Rs. 2,50,000/- as approved by the remuneration committee of Directors of the company, at their meeting held on 14th July 2011. Further in case of inadequacy of profits or in case of loss incurred by the company the remuneration of Rs. 2,50,000/- per month will be paid as minimum remuneration.
04. That Gratuity payable to Shri Vijendra Kumar Mittal Director of the Company would not exceed half a month of salary for each completed year of his service to the company subject to maximum of Rs. 10,00,000/- as per Gratuity Act 1972.
05. That the other terms and conditions of his appointment as in force shall remain same and shall apply as earlier.

The copy of the agreement entered by the company with Shri Vijendra Kumar Mittal is available for inspection at the Registered Office of the company any day between 10.00 A.M. to 3.00 P.M. till the date of the Annual General Meeting.

Your Directors recommend the resolution for approval of the share holders.

The above variation in terms of remuneration of Shri Vijendra Kumar Mittal, Whole Time Director of the company as mentioned in item no. 7 of the Notice will be treated as an abstract under Section 302 of the Companies Act, 1956.

None of the Directors of the Company except Shri Vijendra Kumar Mittal, Shri Aman Mittal, Shri Ansh Mittal and Mrs. Madhu Mittal, are concerned or interested in the above said resolution.

The Board recommends this Resolution for your approval.

The proposal as set out at Item No. 7 of the notice is placed for consideration and approval.

Item No.8,

The members of the Company at the 18th Annual General Meeting held on 1st September 2010 approved the re-appointment of Shri Aman Mittal as Whole Time Director of the Company for a period of three years on the following terms and conditions :-

- (a) Salary : Rupees Seventy Five Thousand per Month.
- (b) Perquisites, Allowance, Benefits, Facilities & Amenities such as Furnished Residential accommodation or House Rent Allowance, Medical Reimbursement, Leave Travel Assistance/Allowance, Membership Fees of clubs Hospitalization and Accidental Insurance and any other perquisites etc., as per the Policy/Rules of the Company provided that the aggregate value of such perquisite shall be allowed in addition to salary.
- (c) He shall also be entitled to (i) Company maintained car with chauffeur, (ii) Telephone & Fax at Residence, (iii) Companies contribution to PF (iv) Payment to gratuity and other retirement benefits, and (v) Encashment of leave.

The total remuneration including perquisites shall not exceed the limits as specified in Schedule XIII to the Companies Act, 1956.

The remuneration including the benefits and amenities aforesaid shall nevertheless be paid and allowed as the minimum remuneration for any year in the event of absence or inadequacy of profits for such year.

The remuneration of Shri Aman Mittal, Whole time director of the Company has been recently revised w.e.f. 1st April, 2011. This increase was done taking into consideration the prevailing trends in the financial sector in terms of compensation packages. It is proposed to revise the Salary Scale of Shri Aman Mittal from the Present Scale of Rs. 75,000.00 per Month to Rs. 1,00,000.00 per month w.e.f. 1st April, 2011. However, all other terms and conditions of the appointment will remain unchanged. The increased remuneration will be subject to the overall limits as provided under section 198, 269, 309, 310, 311 and in terms of Section 1 of Part II of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956.

The Directors of the Company on recommendation made by the Remuneration Committee have approved the proposal of increase in his remuneration. Subject to the approval of the members, your Directors recommend the resolution for approval by the members of the Company.

The above variation in terms of remuneration of Shri Aman Mittal, Whole Time Director of the company as mentioned in item no. 8 of the Notice will be treated as an abstract under Section 302 of the Companies Act, 1956.

None of the Director of the Company except Shri Aman Mittal, Shri. Vijendra Kumar Mittal, Shri Ansh Kumar Mittal and Smt. Madhu Mittal are concerned or interested in the above said resolution.

The members are requested to consider and approve the above proposal for increase in the salary of Shri Aman Mittal.

The proposal as set out at Item No. 8 of the notice is placed for consideration and approval.

Item No.9,

The members of the Company at the 18th Annual General Meeting held on 1st September 2010 approved the re-appointment of Shri Ansh Mittal as Whole Time Director of the Company for a period of three years on the following terms and conditions :-

- (a) Salary : Rupees Seventy Five Thousand per Month.
- (b) Perquisites, Allowance, Benefits, Facilities & Amenities such as Furnished Residential accommodation or House Rent Allowance, Medical Reimbursement, Leave Travel Assistance/Allowance, Membership Fees of clubs Hospitalization and Accidental Insurance and any other perquisites etc., as per the Policy/Rules of the Company provided that the aggregate value of such perquisite shall be allowed in addition to salary subject to the Limit of Rs. 25,000.00 Per Month
- (c) He shall also be entitled to (i) Company maintained car with chauffeur, (ii) Telephone & Fax at Residence, (iii) Companies contribution to PF (iv) Payment to gratuity and other retirement benefits, and (v) Encashment of leave.

The total remuneration including perquisites shall not exceed the limits as specified in Schedule XIII to the Companies Act, 1956.

The remuneration including the benefits and amenities aforesaid shall nevertheless be paid and allowed as the minimum remuneration for any year in the event of absence or inadequacy of profits for such year.

The remuneration of Shri Ansh Mittal, Whole time director of the Company has been recently revised w.e.f. 1st April, 2011. This increase was done taking into consideration the prevailing trends in the financial sector in terms of compensation packages. It is proposed to revise the Salary Scale of Shri Ansh Mittal from the Present Scale of Rs. 75,000.00 per Month to Rs. 1,00,000.00 per month w.e.f. 1st April, 2011. However, all other terms and conditions of the appointment will remain unchanged. The increased remuneration will be subject to the overall limits as provided under section 198, 269, 309, 310, 311 and in terms of Section 1 of Part II of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956.

The Directors of the Company on recommendation made by the Remuneration Committee have approved the proposal of increase in his remuneration. Subject to the approval of the members, your Directors recommend the resolution for approval by the members of the Company.

The above variation in terms of remuneration of Shri Ansh Mittal, Whole Time Director of the company as mentioned in item no. 9 of the Notice will be treated as an abstract under Section 302 of the Companies Act, 1956.

None of the Director of the Company except Shri Ansh Mittal, Shri Vijendra Kumar Mittal, Shri Aman Mittal and Smt. Madhu Mittal are concerned or interested in the above said resolution.

The members are requested to consider and approve the above proposal for increase in the salary of Shri Ansh Mittal.

The proposal as set out at Item No. 9 of the notice is placed for consideration and approval.

Item No.10,

The members of the Company at the 18th Annual General Meeting held on 1st September 2010 approved the re-appointment of Shri Virendra Kumar Gupta as Whole Time Director of the Company as on the following terms and conditions :-

- (a) Salary : Rupees Fifty Thousand per Month.
- (b) Perquisites, Allowance, Benefits, Facilities & Amenities such as Furnished Residential accommodation or House Rent Allowance, Medical Reimbursement, Leave Travel Assistance/Allowance, Membership Fees of clubs Hospitalization and Accidental Insurance and any other perquisites etc., as per the Policy/Rules of the Company provided that the aggregate value of such perquisite shall be allowed in addition to salary subject to the Limit of Rs. 15,000.00 Per Month
- (c) He shall also be entitled to (i) Company maintained car with chauffer, (ii) Telephone & Fax at Residence, (iii) Companies contribution to PF (iv) Payment to gratuity and other retirement benefits, and (v) Encashment of leave.

The total remuneration including perquisites shall not exceed the limits as specified in Schedule XIII to the Companies Act, 1956.

The remuneration including the benefits and amenities aforesaid shall nevertheless be paid and allowed as the minimum remuneration for any year in the event of absence or inadequacy of profits for such year.

The remuneration of Shri Virendra Kumar Gupta, Whole time director of the Company has been recently revised w.e.f. 1st April, 2011. This increase was done taking into consideration the prevailing trends in the financial sector in terms of compensation packages. It is proposed to revise the Salary Scale of Shri Virendra Kumar Gupta from the Present Scale of Rs. 50,000.00 per Month to Rs. 70,000.00 per month w.e.f. 1st April, 2011. However, all other terms and conditions of the appointment will remain unchanged. The increased remuneration will be subject to the overall limits as provided under section 198, 269, 309, 310, 311 and in terms of Section 1 of Part II of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956.

The Directors of the Company on recommendation made by the Remuneration Committee have approved the proposal of increase in his remuneration. Subject to the approval of the members, your Directors recommend the resolution for approval by the members of the Company.

The above variation in terms of remuneration of Shri Virendra Kumar Gupta, Whole Time Director of the company as mentioned in item no. 9 of the Notice will be treated as an abstract under Section 302 of the Companies Act, 1956.

None of the Director of the Company except Shri Vijendra Kumar Gupta is concerned or interested in the above said resolution.

The members are requested to consider and approve the above proposal for increase in the salary of Shri Virendra Kumar Gupta.

The proposal as set out at Item No. 10 of the notice is placed for consideration and approval.

Item No. 11,

Smt. Madhu Mittal Promoter/Director was re-appointed as the Whole Time Director of the Company as per the resolution passed at the Annual General Meeting of the Company held on 15th September, 2008 period of appointment effective date 1st April 2008 to 31st March 2011 to on the terms and condition set out in that resolution. Smt Madhu Mittal aged about 56 years she is an M.A has 28 years of rich experience of successfully guiding a team of highly qualified professional in the field of lubrication systems .

She has been entrusted with the responsibilities of complete administration, customer care & developing and exploring export markets for the products of the company. The Remuneration Committee had considered that taking her vast experience in the lubrication field her contribution in the above departments would lead the company to higher growths. He is also the member of the Share Transfer Committee of the Company since its information.

In recognition of his excellent performance and to enable the Company to continue to benefit from his stewardship, the Remuneration Committee has recommended his re-appointment as Whole Time Director of the Company with the emoluments and the terms given in the resolution. The Board have approved the reappointment of Smt. Madhu Mittal as Whole Time Director for a period of 3 years with effect from 1st April, 2011 to 31st March, 2014, subject to the approval of shareholders at the ensuing Annual General Meeting. In terms of Schedule XIII to the Companies Act, 1956, Smt. Madhu Mittal is eligible for appointment as Whole Time Director subject to approval of shareholders vide special resolution.

The details of remuneration payable to Smt. Madhu Mittal, as Whole Time Director are set out as below:

1. SALARY AND OTHER FIXED ALLOWANCES :

Before such re appointment she has been drawing Rs. 50,000/- per month including dearness and all other allowances.

With effect from such reappointment she will draw Rs.70,000/- per month including dearness and all other allowances. In case of inadequacy of profits or incase of loss incurred by the company the remuneration of Rs.70,000/- p.m. will be paid as minimum remuneration.

II PERQUISITIES :

The Whole Time Director should be entitled for Perquisites which shall be allowed in addition to salary .

CATAGORY – A

This will comprise house rent allowances, leave travel, commission, medical reimbursement, fees on clubs and personal accident insurance. These may be provided for as under.

(i) Housing I

The expenditure by company on hiring unfurnished accommodation for the appointee will be subject to the following ceiling:

Bombay, Kolkatta, Delhi and Madras :

Sixty percent of the salary, over and above ten percent payable by the appointee.

Other places : Fifty percent of the ,salary, over and above ten percent payable by the appointee.

(ii) Housing II

In case the accommodation is owned by the company, ten percent of the salary of the appointee shall be deducted by the company

(iii) Housing III

In case no accommodation is provided by the company, the appointee shall be entitled to house rent allowances subject to the ceiling laid down in Housing .

Explanation:

The expenditure incurred by companies or gas, electricity, water and furnishings shall be valued as per the Income-Tax Rules, 1962. This shall however, be subject to a ceiling of ten percent of ten salary of the person proposed to be appointed.

(ii) Medical Reimbursement :

Expenses incurred for the person to be appointed and his family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

(iii) Leave Travel Concession:

For the person proposed to be appointed and his family, once in a year incurred in accordance with the rules specified by the company.

(iv) Club Fees:

Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

(v) Personal Accident Insurance:

Premium not to exceed Rs. 3,000/- per annum.

Explanation – For the purposes of Category –A, 'Family' means the spouse, the dependant children and dependent parents of the appointee.

CATEGORY – B

Contribution to provident fund, superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-Tax-Act. Gratuity payable should not exceed half a month's salary for each completed year of service.

CATEGORY – C

- 1) Company Car with Driver: The Whole Time Director shall be provided a company's car with a driver for his official use. However, the use of car for the private purpose shall be billed by the company to the Whole Time Director.
- 2) Free Telephone At Residence The Director shall be provided not more than one telephone at his residence. However all long distance personal calls shall be allowed to encashed .
- 3) The Whole Time Director should be entitled for privilege leave on full pay and allowances as per the rules of the Company for a period not exceeding one months after every 11 months of service. The leaves accumulated but not availed of will not be allowed to encashed.
- 4) So long as Smt. Madhu Mittal functions as Whole Time Director he shall not be paid any sitting fee for attending the meeting of the Board of Directors or Committee thereof.
- 5) The Head Quarter of the Whole Time Director shall be at Faridabad where he has to stay regularly for attending to his office.
- 6) The Whole Time Director shall not so long as he functions as such, become interested or otherwise concerned directly or through his wife, sons or unmarried daughter in any selling Agency of the Company in future without the prior approval of the Company Law Board or such authority as may exist from time to time.
- 7) This agreement may notwithstanding the period of three years mentioned in clause I hereof, be terminated by either party giving to the other six months notice in writing, in the event of termination of the appointment of Whole Time Director by the Company, he shall be entitled to receive compensation in accordance with the provisions of Section 318 of the Companies Act, 1956.
- 8) Any dispute of different whatsoever concerning or arising out of this agreement whether during the currency or otherwise shall be entitled by arbitration in accordance with the law relating to the arbitration for the time being in force.
- 9) The appointee shall also be entitled to reimbursement of entertainment expenses actually and properly incurred in the course of legitimate business of the company.

The above may also be treated as an Abstract of the variation under Section 302 of the Companies Act, 1956. Although not necessary, a draft copy of the Agreement containing the terms and conditions of appointment of Smt. Madhu Mittal as Whole Time Director is available for inspection of the members to ascertain any information that they may require at the Registered Office of the Company between the hours 10 a.m. to 2 p.m. on all working days (except Sundays and public holidays during office hours) upto the date of the ensuing Annual General Meeting.