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DLF UNIVERSAL LIMITED

**38TH ANNUAL REPORT
2002-2003**



DLF UNIVERSAL LIMITED

BOARD OF DIRECTORS (As on 28 October 2003)

MR. K. P. SINGH
Chairman
(Whole-time Director)

MR. RAJIV SINGH
Vice Chairman
(Whole-time Director)

MR. T. C. GOYAL
Managing Director

MR. J. K. CHANDRA
Executive Director – Projects
(Whole-time Director)

MS. PIA SINGH
Whole-time Director

MR. RAJINDER SINGH SAHNI

MR. B. BHUSHAN

BRIG. (RETD.) N. P. SINGH

MS. RENUKA TALWAR

Company Secretary

MR. HARI HARAN

Registered Office

Shopping Mall, 3rd Floor,
Arjun Marg, Phase – I,
DLF City, Gurgaon – 122 002
(Haryana)

Head Office

DLF Centre, Sansad Marg,
New Delhi – 110 001.

Auditors

M/s. Walker, Chandiok & Co
Chartered Accountants

41/L, Connaught Circus
New Delhi – 110 001.

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NOTICE

NOTICE is hereby given that the Thirty-eighth Annual General Meeting of the Shareholders of the Company will be held on Friday, the 28th day of November, 2003 at 10.30 A.M., at DLF Gymkhana Club, (Near Bristol Hotel), Phase – I, DLF City, Gurgaon-122002, Haryana to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31 March 2003 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors' and the Auditors' thereon.
2. To declare Dividend on Equity Shares for the financial year ended 31 March 2003.
3. To appoint a Director in place of Ms. Renuka Talwar, who retires by rotation and being eligible, offers herself for reappointment.
4. To appoint a Director in place of Mr. Rajinder Singh Sahni, who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

SPECIAL RESOLUTIONS :-

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

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956 and the provisions of the other statutes as applicable, and subject to such approvals, consents, permission and sanctions as may be necessary from the appropriate authorities or bodies, in this regard, the consent of the shareholders of the Company be and is hereby accorded to insert, add, delete, amend, alter and/or substitute the Articles of Association of the Company in the manner and to the extent as is set out herein below: -

- i) In Article 1 of the Articles of Association, the following term defining "Universal", be deleted: -

"Universal" means Universal Electric Company, Owosso, Michigan, U. S. A., foreign Collaborating Company of this Company.

- ii) In Article 3 of the Articles of Association, the following sub-clause (b), be deleted: -

"First right to buy Shares"

Article 3(b)

"Universal shall not sell any of the shares held by it without first offering said shares to the Principal promoter Ch. Raghvendra Singh and/or his nominee/ nominees. The Principal Promoter Ch. Raghvendra Singh and/or his nominee/ nominees shall have twelve weeks within which to accept such offer. The Principal promoter Ch. Raghvendra Singh and/or his nominee/ nominees shall have the same obligations towards Universal, except that if Universal is prevented owing to restrictions imposed by the Indian Government, from purchasing the shares, then such shares shall be sold only to persons or companies approved by Universal subject to any other relevant Provision of Law."

- iii) To alter the Articles of Association of the Company by way of addition of the following new Article 23A after the existing Article 23 in the Articles of Association: -

"Buy-Back of Shares"

Article 23A

"Pursuant to Section 77A, 77AA and 77B and other applicable provisions of the Companies Act, 1956, if any, for the time being in force and as amended from time to time and notwithstanding anything else contained to the contrary in these Articles, the Company may acquire, purchase, buy back and hold, resell or otherwise deal with its own shares or other specified securities from out of its free reserves or out of its securities premium account or out of the proceeds of an issue of shares or other specified securities or by any other mode, manner, method as may be specified under the Companies Act, 1956 and/or upon such terms and conditions and subject to such limits and such approvals as may be prescribed or permitted under the Companies Act, 1956."

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the said Act including any statutory amendments, modifications or re-enactments thereof, the consent of the Shareholders of the Company be and is hereby accorded to the re-appointment of Mr. K.P. Singh as a Whole-time Director of the Company, designated as "Chairman" for a further period of five (5) years with effect from 1st October, 2003 on the terms and conditions including remuneration and responsibilities as set out in the draft agreement, which is hereby specifically approved with liberty and authority to the Board of Directors to alter, vary, modify and revise the terms and conditions including remuneration of the said appointment and/or Agreement in such manner and from time to time, as may be agreed between the Board and Mr. K.P. Singh in conformity with Schedule XIII of the Companies Act, 1956 including any amendments/modifications made hereafter in this regard.

RESOLVED FURTHER THAT the remuneration as set out in the explanatory statement, which forms a part of this resolution, payable to Mr. K.P. Singh, Chairman is subject to the condition that the total remuneration payable in any financial year by way of salary, perquisites, commission 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 and any other applicable provision, if any, of the Companies Act, 1956 read with Schedule XIII of the said Act including any statutory amendments/modifications/re-enactments as may be made thereto and for the time being in force.

RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of the Chairman, the Company has no profits or its profits are inadequate, the Chairman shall be entitled to remuneration by way of salary, perquisites, commission and other allowances not exceeding the limits specified under Section II Part II of Schedule XIII of the Companies Act, 1956 as amended and for the time being in

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force including such amendments, modifications, revisions as may be made by the Central Government in the said limits from time to time.

RESOLVED FURTHER THAT the terms and conditions of appointment, agreement and remuneration specified herein may be altered, varied and revised from time to time by the Board of Directors of the Company, as it may, in its discretion deem fit, so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force), or any amendments made thereto from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, things, to enter into such agreement, deed of amendment or any such document as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit."

ORDINARY RESOLUTIONS

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

"RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Ms. Pia Singh, who was appointed by the Board of Directors as an Additional Director of the Company pursuant to Article 101(2) of the Articles of Association of the Company and who holds office upto the date of the Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

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

"RESOLVED THAT pursuant to Article 93 of the Articles of Association of the Company and in accordance with the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII as amended up to date and/or any statutory amendments, modifications or re-enactment thereof, the consent of the Shareholders of the Company be and is hereby accorded to the appointment of Ms. Pia Singh as Whole-time Director of the Company for a period of five (5) years with effect from 18th February, 2003 and expiring on 17th February, 2008 on the terms and conditions including remuneration as set out in the draft agreement, which is hereby specifically sanctioned with liberty and authority to the Board of Directors to alter, vary, modify and revise the terms and conditions including remuneration of the said appointment and/or Agreement in such manner and from time to time, as may be agreed between the Board and Ms. Pia Singh in conformity with Schedule XIII of the Companies Act, 1956 including any amendments/modifications made hereafter in this regard.

RESOLVED FURTHER THAT the remuneration as set out in the explanatory statement, which forms a part of this resolution, payable to Ms. Pia Singh, Whole Time Director is

subject to the condition that the total remuneration payable in any financial year paid by way of salary, perquisites, commission 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 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the said Act including any statutory amendments/modifications/re-enactments as may be made thereto and for the time being in force.

RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of the Whole Time Director, the Company has no profits or its profits are inadequate, the Whole Time Director shall be entitled to remuneration by way of salary, perquisites, commissions and other allowances not exceeding the limits specified under Section II Part II of Schedule XIII of the Companies Act, 1956 as amended and for the time being in force including such amendments, modifications, revisions as may be made by the Central Government in the said limits from time to time as minimum remuneration.

RESOLVED FURTHER THAT the terms and conditions of appointment, agreement and remuneration specified herein may be altered, varied and revised from time to time by the Board of Directors of the Company, as it may, in its discretion deem fit, so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force), or any amendments made thereto from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, things, to enter into such agreement, deed of amendment or any such document as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit."

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

"RESOLVED THAT pursuant to Article 124 and 125 of the Articles of Association of the Company and in accordance with the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII as amended up to date and/or any statutory amendments, modifications or re-enactment thereof the consent of the Shareholders of the Company be and is hereby accorded to the re-appointment of Mr. T. C. Goyal, as a Managing Director of the Company, for a period of five (5) years commencing from 01st March, 2003 and expiring on 29th February, 2008 on the terms and conditions including remuneration, authorities, powers, duties and responsibilities as contained in the draft agreement which is hereby specifically sanctioned with liberty and authority to the Board of Directors to alter, vary, modify and revise the terms and conditions including remuneration of the said appointment and/or Agreement in such manner and from time to time, as may be agreed between the Board and Mr. T.C. Goyal in conformity with Schedule XIII of the Companies Act, 1956 including any amendments/modifications made hereafter in this regard.

RESOLVED FURTHER THAT the remuneration as set out in the explanatory statement, which forms part of this resolution,



payable to Mr. T.C.Goyal, Managing Director is subject to the condition that the total remuneration payable in any financial year paid by way of salary, perquisites, commission 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 and any other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the said Act including any statutory amendments/modifications/re-enactments as may be made thereto and for the time being in force.

RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Managing Director shall be entitled to remuneration by way of salary, perquisites, commission and other allowances not exceeding the limits specified under Section II Part II of Schedule XIII of the Companies Act, 1956 as amended and for the time being in force including such amendments, modifications, revisions as may be made by the Central Government in the said limits from time to time as minimum remuneration.

RESOLVED FURTHER THAT the terms and conditions of appointment, agreement, remuneration, power, duties and responsibilities specified herein may be altered, varied and revised from time to time by the Board of Directors of the Company, as it may, in its discretion deem fit, so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force), or any amendments made thereto from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, things, to enter into such agreement, deed of amendment or any such document as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit."

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

"RESOLVED THAT pursuant to Article 93 of the Articles of Association of the Company and in accordance with the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereof as amended up to date and/or any statutory amendments, modifications or re-enactment thereof the consent of the Shareholders of the Company be and is hereby accorded to the re- appointment of Mr. J. K. Chandra, as a Whole Time Director of the Company, designated as "Executive Director (Projects)" to be in charge of the design and construction of all Projects undertaken by this Company/Group Company(ies)/Firm(s) in which this Company/ Group Company(ies)/Firm(s) is the partner and for ensuring the observance and compliance of all applicable laws, rules, regulations, notifications affecting the conduct of affairs of the entire construction activities of this Company/Group Company(ies)/Firm(s) as aforesaid, for a period of 19 months commencing from 01st March, 2003 and expiring on 30th

September, 2004 on the terms and conditions including remuneration, authorities, powers, duties and responsibilities as contained in the draft agreement, which is hereby specifically sanctioned with liberty and authority to the Board of Directors to alter, vary, modify and revise the terms and conditions including remuneration of the said appointment and/or Agreement in such manner and from time to time, as may be agreed between the Board and Mr. J.K.Chandra in conformity with Schedule XIII of the Companies Act, 1956 including any amendments/modifications made hereafter in this regard.

RESOLVED FURTHER THAT the remuneration as set out in the explanatory statement, which forms part of this resolution, payable to Mr. J.K.Chandra Whole Time Director of the Company, designated as "Executive Director (Projects)" is subject to the condition that the total remuneration payable in any financial year paid 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 and any other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the said Act including any other statutory amendments/modifications/re-enactments as may be made thereto and for the time being in force.

RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of the Whole-Time Director, the Company has no profits or its profits are inadequate, he shall be entitled to remuneration by way of salary and perquisites not exceeding the limits specified under Section II Part II of Schedule XIII of the Companies Act, 1956 as amended and for the time being in force including such amendments, modifications, revisions as may be made by the Central Government in the said limits from time to time as minimum remuneration.

RESOLVED FURTHER THAT the terms and conditions of appointment, agreement, remuneration, powers, duties and responsibilities specified herein may be altered, varied and revised from time to time by the Board of Directors of the Company, as it may, in its discretion deem fit, so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force), or any amendments made thereto from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, things, to enter into such agreement, deed of amendment or any such document as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit."

**By Order of the Board of Directors
for DLF UNIVERSAL LIMITED**

**Place : New Delhi
Dated : 28 October, 2003**

**HARI HARAN
COMPANY SECRETARY**

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NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT FOR ONE OR MORE PROXIES TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. **The enclosed proxy form, if intended to be used, should reach the Registered Office of the Company duly completed, stamped and signed not less than forty-eight hours before the scheduled time of the Meeting.**
3. Members/Proxies are requested to hand over the enclosed Attendance Slip duly filled at the entrance for attending the meeting.
4. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business set out above is annexed hereto and forms part of the Notice.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 25th November 2003 to Friday, the 28th November, 2003, both days inclusive.
6. The dividend, if declared, will be paid on or before 27th December, 2003 to those Members entitled thereto whose names appear in the Register of Members of the Company on 28th November, 2003, subject however to the provisions of Section 206A of the Companies Act, 1956. In respect of the shares held in electronic form, dividend will be payable to the beneficial owners, on the basis of beneficial ownership list furnished by NSDL and CDSL for this purpose.
7. Tax on dividend payable to shareholders shall be as per the applicable provisions of Income Tax Act, 1961 as amended, read with Rules thereof for the time being in force.
8. Members are requested to notify change in their addresses, bank details, bank mandate and nomination, if any, quoting their respective Folio Number to the Head Office of the Company.
9. In cases where Members holding shares in electronic segment are requested to notify the change of address, bank details, nomination, etc. to the depository participants (DP), with whom they are having client account for effecting necessary corrections. Any intimation made to the Company without effecting the necessary correction with the DP cannot be updated. Hence it is necessary on the part of the Shareholders to inform the change to their DP with whom they have opened account.
10. Pursuant to Section 205A of the Companies Act, 1956 all unclaimed dividends up to the financial year ended 31st March 1994 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed the dividend warrants for that period are requested to claim the amount from the Registrar of Companies, Delhi and Haryana at New Delhi and for the financial years 1995-96 onwards from the Company.
11. Members may kindly make note that dividend warrants which remain unclaimed/unencashed for a period of 7(seven) years from the date they became due for payment will be transferred to Investor Education and Protection Fund being constituted by the Central Government under Section 205C of the Companies Act, 1956 and the Shareholders shall not be able to claim any unpaid dividend from the said Fund or from the Company thereafter. In this connection, the company had transferred the amount of unpaid/unencashed dividend remaining unclaimed for the year 1994-95 to the Investor Education and Protection Fund.
12. Members holding shares in the same name under different

Folios are requested to apply for consolidation of such Folios and send relevant share certificates to the Company.

13. The Memorandum and Articles of Association of the Company alongwith the proposed alterations therein, Agreements and all other documents etc., referred to in the accompanying Notice and Explanatory Statement and the Annual Report are open for inspection at the Registered Office of the Company during the office hours between 11.00 a.m. and 1.00 p.m. on all working days except Saturdays and Sundays up to the date of the Annual General Meeting and shall also be available at the venue of the Meeting.
14. Members who hold shares in dematerialised form are requested to bring their Client ID and DPID numbers for easy identification of attendance at the Meeting.
15. Shareholders who are still holding physical share certificates are advised to dematerialise their shareholding to avail benefit of dematerialisation which includes easy liquidity since holding is permitted in dematerialised form, electronic transfer, savings in stamp duty and prevention of forgery.
16. The Company has obtained the approval from the Registrar of Companies, NCT of the Delhi and Haryana for extension of time for holding the Annual General Meeting of the Company upto 29th November, 2003.

REQUEST TO THE MEMBERS

- * Members desiring any information/clarification on the accounts are requested to write to the Company at least seven days in advance i.e. on or before 20th November, 2003 so as to enable the management to keep the information ready at the Annual General Meeting.
- * As a measure of economy, copies of the Annual Report will not be distributed at the Meeting. Members are requested to bring along their copies.
- * Members/Proxies are requested to bring the attendance slip, duly filled in.
- * Members are requested to inform immediately their Bank Account particulars like Folio No., Name of the Shareholder, Bank A/c No., Name of the Bank and Signature of Shareholder, if not informed earlier, so that the same could be incorporated in dividend warrant after their names to avoid fraudulent encashment.

EXPLANATORY STATEMENT

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

Item No. 6 of the Notice

The Board of Directors of the Company in its meeting held on 28th October, 2003 have resolved to alter the Articles of Association of the Company in the manner and to the extent as specified in the proposed Resolution. The alterations proposed to Article 1 and Article 3 are aimed to delete a few existing Articles of Association of the Company which have become redundant with passage of time and due to change in the facts/circumstances.

Further, in accordance with the applicable provisions of the Companies Act, 1956 it is proposed that an Article relating to the buy-back of Company's shares may be inserted in the Articles of Association of the Company. The proposed alterations require the approval of the Members of the Company by way of a Special Resolution.

The Board of Directors of your Company, therefore, recommends the passing of Special Resolution as set out at Item No. 6 of the Notice convening the meeting.

Nature of Concern or Interest of Directors

None of the Directors of your Company is concerned or interested in the passing of this resolution.

**Item No. 7 of the Notice**

The present tenure of Mr. K.P.Singh, Whole-Time Director, designated as 'Chairman' of the Company for a period of Five (5) years w.e.f. 1st October, 1998 to 30th September, 2003, approved by the Shareholders of the Company in their Annual General Meeting held on 24th September, 1999 has expired on 30th September, 2003. Under his Chairmanship, the Company has grown manifold. Hence, the Board of Directors of your Company in their meeting held on 24th September, 2003 have, subject to the consent of the Shareholders in the ensuing Annual General Meeting by way of a Special Resolution, re-appointed Mr. K.P. Singh, for a further period of five (5) years as a Whole time Director of the Company designated as Chairman with effect from 1st October 2003 on the terms and conditions including remuneration as detailed hereunder :-

- | | |
|---|--|
| I. Term : | Re-appointment for a period of Five (5) Years w. e. f. 1 st October, 2003 and expiring on 30 th September, 2008. |
| II. Salary: | Rs. 2,50,000/- (Rupees Two lacs fifty thousand only) per month. |
| III. Perquisites : | Classified into three categories A, B, and C |
| Category 'A' | |
| i) Housing | Furnished residential accommodation will be provided to the Chairman, which shall also be used for official purposes. Expenses towards gas, water, electricity, servants, sweepers, gardeners and chowkidars etc. shall be borne and paid by the Company. However, perquisites for the above shall be evaluated as per Income Tax Rules wherever applicable; |
| ii) Medical expenses payment/Re-imbursement | All expenses for medical treatment in India and Abroad for the Chairman and his family shall be paid by the Company or reimbursed to the Chairman, as the case may be. |
| iii) Leave Travel Concession | For Chairman and his family once in a year incurred in accordance with rules specified by the Company, from time to time. |
| iv) Club Fees | Fees of Clubs subject to a maximum of two clubs. This will not include admission and life membership fee. |
| v) Personal Accident and Medical Insurance | Such Premium as may be decided by the Board. |
| Explanation : | 'Family' means the spouse of the Chairman. |

Category 'B'

- I Contribution to Provident Fund as per the rules of the Company.
- II Gratuity payable shall not exceed half a month's salary for each completed year of service as per the rules of the Company.
- III Earned/Privilege Leave: As per the applicable rules of the Company.

Category 'C'

- i) Provision of Company Maintained Car(s) with Driver
Provision of Chauffeur driven Car(s). Personal use of car(s) would be valued as per Income Tax Rules, 1962.
- ii) Reimbursement of Fees for Credit Cards.
Payment/Reimbursement of Membership Fees and Annual Fees for Credit Cards. Perquisite value of such credit cards shall be determined as per Income Tax Rules, 1962

- iii) Housing Loan
Housing Loan as per the Rules of the Company. Apart from interest chargeable on such housing loan, any tax on computational/notional value of interest due to any Income Tax guidelines/rules for the time being in force, would be to the account of the concerned managerial personnel.

- iv) Telephones (including Mobile Phones)
Charges for rental, local and official trunk calls for telephones at residence and mobile phones will be reimbursed by the Company and will not be treated as perquisites. Personal long distance calls on telephones will be recovered

IV. Commission : In addition to the above salary and perquisites, such commission may also be paid, as may be determined by the Board of the Directors, based on the Net Profits of the Company, provided that the total remuneration of Mr. K.P.Singh, Chairman inclusive of Commission in any financial year does not exceed such percent of the Net Profits of the Company in accordance with the ceiling limits laid down in Sections 198 and 309 read with Schedule XIII of the Companies Act, 1956.

V. Other Terms :

- I He shall be entitled to reimbursement of actual out-of-pocket expenses incurred in connection with the business of the Company.
- II He shall be entitled to reimbursement of entertainment expenses incurred for the business of the Company.
- III As long as he functions as Chairman, he shall not be paid any sitting fees to attend any meeting of the Board and/or Committee thereof.

The Chairman shall also be eligible to the following perquisites, which shall not be included in the computation of ceiling on remuneration specified in the said Section II Part II of Schedule XIII of the Companies Act, 1956: -

- a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961;
- b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- c) Encashment of leave at the end of the tenure.

In compliance with the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, the terms of re-appointment and remuneration specified here-in-above and the draft Agreement containing the said terms among other matters are now being placed before the members in the General Meeting for their approval.

The Board of Directors of your Company, therefore, recommends the passing of Special Resolution as set out at Item No. 7 of Notice convening the meeting.

The draft Agreement to be entered into between the Company and Mr. K.P.Singh and a certified copy of the Resolution passed by the Board of Directors in their meeting held on 24th September, 2003 in this regard are available for inspection by the Members of the Company at its Registered Office between 11.00 A.M. to 1.00 P.M. on any working day prior to the date of the Annual General Meeting and shall also be made available at the meeting.

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Nature of Concern or Interest of Directors

Except Mr. K.P. Singh himself and his relatives Mr. Rajiv Singh, Ms. Renuka Talwar and Ms. Pia Singh, Directors of the Company, no other Director is concerned or interested in the passing of the above resolutions as set out at Item No. 7 of this Notice.

Item No 8 and 9 of the Notice

The Board of Directors in their meeting held on 18th February, 2003 have appointed Ms. Pia Singh, as an Additional Director of the Company pursuant to the provisions of Article 101 (2) of the Articles of Association with effect from 18th February, 2003. Ms. Pia Singh is a Graduate of Wharton School of Business University of Pennsylvania U. S. A. and has varied experience in business Management. The Company has received a Notice from a Shareholder, in writing, alongwith deposit under Section 257 of the Companies Act, 1956, proposing her candidature for the office of the Director to be elected by the Shareholders in the Annual General Meeting. Further, in view of enhanced business activities of the Company and looking into her experience, talent and capabilities, the Board of Directors of the Company in their meeting held on 18th February, 2003 have also appointed her, subject to your approval, as a Whole-time Director of the Company with effect from 18th February, 2003. The details of remuneration given in the draft Agreement are as under :-

- I. **Term :** Five Years w. e. f. 18th February, 2003 and expiring on 17th February, 2008.
- II. **Salary:** Rs. 1,00,000/- (Rupees One Lac only) per month
- III. **Perquisites :** Classified into three categories A, B, and C
 - Category 'A'**
 - i) **Housing** : Furnished residential accommodation will be provided to the Whole-time Director, which shall also be used for official purposes. Expenses towards gas, water, electricity, servants, sweepers, gardeners and chowkidars etc. shall be borne and paid by the Company. However, perquisites for the above shall be evaluated as per Income Tax Rules wherever applicable;
 - ii) **Medical expenses payment/ Re-imbusement** : Subject to the limit of 5% of the net profits set out in Section 198/309 and Schedule XIII of the Companies Act, 1956, all expenses for medical treatment in India and Abroad for the Whole-time Director and her family shall be paid by the Company or reimbursed to the Whole-time Director, as the case may be.
 - iii) **Leave Travel Concession** : For Whole-time Director and her family once in a year incurred in accordance with rules specified by the Company, from time to time.
 - iv) **Club Fees** : Fees of Clubs subject to a maximum of two clubs. This will not include admission and life membership fee.
 - v) **Personal Accident and Medical Insurance** : Premium not to exceed Rs. 10,000/- per annum.
 - Explanation :** 'Family' means the spouse, the dependent children and dependent parents of the Whole-time Director

Category 'B'

- I Contribution to Provident Fund and Superannuation fund as per the rules of the Company.
- II Gratuity payable shall not exceed half a month's salary for each completed year of service as per the rules of the Company.

- III Earned/Privilege Leave: As per the applicable rules of the Company.

Category 'C'

- i) **Provision of Company Maintained Car(s) with Driver** : Provision of Company Maintained Chauffeur driven Car(s). Personal use of car(s) would be valued as per Income Tax Rules, 1962.
- ii) **Reimbursement of Fees for Credit Cards** : Payment/Reimbursement of Membership Fees and Annual Fees for Credit Cards. Perquisite value of such credit cards shall be determined as per Income Tax Rules, 1962.
- iii) **Housing Loan** : Housing Loan as per the Rules of the Company. Apart from interest chargeable on such housing loan, any tax on computational/notional value of interest due to any Income Tax guidelines/rules for the time being in force, would be to the account of the concerned managerial personnel.
- iv) **Telephones (including Mobile Phones)** : Charges for rental, local and official trunk calls for telephones at residence and mobile phones will be reimbursed by the Company and will not be treated as perquisites. Personal long distance calls on telephones will be recovered.
- IV. **Commission :** In addition to the above salary and perquisites, such commission may also be paid, as may be determined by the Board of the Directors, based on the Net Profits of the Company, provided that the total remuneration of Ms. Pia Singh, Whole-time Director inclusive of Commission in any financial year does not exceed such percent of the Net Profits of the Company in accordance with the ceiling limits laid down in Sections 198 and 309 read with Schedule XIII of the Companies Act, 1956.

V. Other Terms :

- I She shall be entitled to reimbursement of actual out-of-pocket expenses incurred in connection with the business of the Company.
- II She shall be entitled to reimbursement of entertainment expenses incurred for the business of the Company.
- III As long as she functions as Whole-Time Director, she shall not be paid any sitting fees to attend any meeting of the Board and/or Committee thereof.
- IV If at any time, the Whole Time Director ceases to be a Director of the Company for any cause whatsoever, she shall cease to be the Whole Time Director of the Company.
- V The appointment may be terminated by either party giving the other party three months' notice.

The Whole Time Director shall also be eligible to the following perquisites, which shall not be included in the computation of ceiling on remuneration specified in the said Section II Part II of Schedule XIII of the Companies Act, 1956 :-

- a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961;
- b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- c) Encashment of leave at the end of the tenure.

In compliance with the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, the terms of appointment and remuneration specified here-in-above



and the draft Agreement containing the said terms among other matters are now being placed before the members in the General Meeting for their approval.

The Board of Directors of your Company, therefore, recommends the passing of Special Business as set out at Item No. 8 and 9 of Notice convening the meeting.

The draft Agreement to be entered into between the Company and Ms. Pia Singh and a certified copy of the Resolution passed by the Board of Directors in their meeting held on 18th February, 2003 in this regard are available for inspection by the Members of the Company at its Registered Office between 11.00 A.M. to 1.00 P.M. on any working day prior to the date of the Annual General Meeting and shall also be made available at the meeting.

Nature of Concern or Interest of Directors

Except Ms. Pia Singh herself and her relatives Mr. K.P.Singh, Mr. Rajiv Singh, and Ms. Renuka Talwar, Directors of the Company, no other Director is concerned or interested in the passing of the above resolutions as set out at Item No. 8 and 9 of this Notice.

Item No. 10 of the Notice

The tenure of Mr. T.C.Goyal, Managing Director of the Company for a period of Five (5) years w.e.f. 1st March, 1998 approved by the Shareholders of the Company in their Annual General Meeting held on 26th March, 1998 has expired on 28th February, 2003. Looking to the contribution made by him to your Company and extensive knowledge of company's operations and his rich experience and expertise in managing the Company has been crucial during his tenure as the Managing Director the Board of Directors in their meeting held on 18th February, 2003 have approved re-appointment of Mr. T.C.Goyal, subject to your approval, for a further period of five (5) years as Managing Director with effect from 1st March, 2003 on remuneration as given in the draft Agreement are as under:-

- I. Term : Re-appointment for a period of Five 5 years w. e. f. 01st March, 2003, up to 29th February, 2008.
- II. Salary (Basic): Rs. 4,00,000/- (Rupees Four lacs only) per month.
- III. Perquisites : Classified into three categories A, B, and C

Category 'A'

- i) House Rent Allowance 70% of the Basic Salary per month;
- ii) Medical expenses Re-imbursment Rs. 12,000/- per annum to be cumulated as per rules of the company.
- iii) Club Fees Fees of Clubs subject to a maximum of two clubs. This will not include admission and life membership fee.
- iv) Hard Furnishing Hard Furnishing shall not exceed Rs. 10.00 lacs at any time as per applicable rules of the Company.
Provision/Purchase by employee of hard furnishing will be governed by the applicable rules of the Company,
Perquisite Value of such hard furnishing shall be determined as per Income Tax Rules, 1962.

Category 'B'

- i) Contribution to Provident Fund and Superannuation fund as per the rules of the Company.

- ii) Gratuity payable shall not exceed half a month's salary for each completed year of service as per the rules of the Company.
- iii) Earned/Privilege Leave: As per the applicable rules of the Company.

Category 'C'

- i) Provision of Company Maintained Car(s) with Driver Provision of Company Maintained Chauffeur driven Car(s).
Personal use of car(s) would be valued as per Income Tax Rules, 1962.
- ii) Payment/ Reimbursement of Fees for Credit Cards. Payment/Reimbursement of Membership Fees and Annual Fees for Credit Cards.
Perquisite value of such credit cards shall be determined as per Income Tax Rules, 1962
- iii) Housing Loan Housing Loan as per the Rules of the Company.
Apart from interest chargeable on such housing loan, any tax on computational/ notional value of interest due to any Income Tax guidelines/rules for the time being in force, would be to the account of the concerned managerial personnel.
- iv) Telephones Charges for rental, local and official trunk calls (including Mobile Phones) for telephones at residence and mobile phones will be reimbursed by the Company and will not be treated as perquisites.
Personal long distance calls on telephones will be recovered

IV. Commission :

In addition to the above salary and perquisites, such commission may also be paid, as may be determined by the Board of the Directors, based on the Net Profits of the Company, provided that the total remuneration of Mr. T. C. Goyal, Managing Director inclusive of Commission in any financial year does not exceed such percent of the Net Profits of the Company in accordance with the ceiling limits laid down in Sections 198 and 309 read with Schedule XIII of the Companies Act, 1956.

V. Other Terms :

- I He shall be entitled to reimbursement of actual out-of-pocket expenses incurred in connection with the business of the Company.
- II He shall be entitled to reimbursement of entertainment expenses incurred for the business of the Company.
- III He shall work under the superintendence and control of the Board of Directors. As long as he functions as the Managing Director, he shall not be paid any sitting fees to attend any meeting of the Board and/or Committee thereof.
- IV He shall be required to travel abroad for business promotion as and when required and during such foreign travel will be governed by the Company's Policy regarding Foreign Travel.
- V If at any time, the Managing Director ceases to be a Director of the Company for any reason/cause whatsoever, he shall cease to be the Managing Director of the Company.
- VI The appointment may be terminated by either party giving the other party three months' notice in writing on the expiry of which, the appointment will come to an end.

The Managing Director shall also be eligible to the following perquisites, which shall not be included in the computation of ceiling on remuneration specified in the said Section II Part II of Schedule XIII of the Companies Act, 1956: -