

# Notice

NOTICE is hereby given that the Twentieth Annual General Meeting of the Members of the Diamond Power Infrastructure Limited will be held at the Registered Office of the company situated at Phase II, Vil. Vadadala, Tal. Savli Dist. Vadodara – 391520 on Friday, 28th of September, 2012 at 10.00 A.M. to transact the following business:-

## ORDINARY BUSINESS:

1. To receive, consider and approve audited Balance Sheet and Profit and Loss Account of the company for the year ended on 31st March, 2012 together with the Reports of the Directors and Auditors thereon.
2. To declare dividend for the financial year ended on 31st March, 2012.
3. To Appoint Director in place of Shri Suresh N Bhatnagar, who retires by rotation and being eligible offers himself for re-appointment.
4. To Appoint Director in place of Shri Amit Suresh Bhatnagar, who retires by rotation and being eligible offers himself for re-appointment.
5. To Appoint Director in place of Shri Sumit Suresh Bhatnagar, who retires by rotation and being eligible offers himself for re-appointment.
6. To Re-appoint Auditors and to fix their remuneration.

## ORDINARY RESOLUTION:

“RESOLVED THAT M/s. Vijay N. Tewar & Co., Chartered Accountants, be and is hereby appointed as Statutory Auditor of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors.”

## SPECIAL BUSINESS:

7. To consider and if thought fit, to pass with or without modification, following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 198, 309, 310 and Schedule XIII and such other applicable provisions, if any, of the Companies Act, 1956, (hereinafter referred to as “the Act”) including any statutory modifications or any amendment or any substitution or re-enactment for the time being in force, approval of the Company be and is hereby accorded to the appointment of Shri S. N. Bhatnagar as an Executive Chairman of the Company, with effect from 1st November, 2012 to 31st October, 2015.

**RESOLVED FURTHER THAT** approval be and is hereby, accorded to the remuneration, perquisites, benefits and amenities payable as per the terms and conditions of the Agreement entered into by Shri S. N. Bhatnagar with the Company for the aforesaid appointment and as set out in this notice; with authority to the Board of Directors of the Company to alter and/or vary the terms and conditions of the said appointment in accordance with, if any, the prescribed provisions of the Act and/or any schedules thereto.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company will pay to Shri S. N. Bhatnagar remuneration, perquisites, benefits and amenities not exceeding the ceiling laid down in Section II of Part II Schedule XIII of the Companies Act, 1956, as may be decided by the Board of Directors, subject to necessary sanctions and approvals as may be applicable from time to time.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby, authorised to enhance, enlarge, alter or vary the scope and quantum of remuneration, perquisites, benefits and amenities payable to Shri S. N. Bhatnagar in the light of further progress of the Company, any revision in the remuneration should be made in conformity with any amendments to the relevant provisions of the Act and/or rules and regulations made there under and/ or such guidelines as may be announced by the Central Government from time to time.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby, authorised to settle any question, difficulty or doubt, that may arise giving effect to this resolution, do all such acts, deeds, matters and things as may be necessary and sign and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for such matters.”

8. To consider and if thought fit, to pass with or without modification, following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311, 317 and Schedule XIII and such other applicable provisions, if any, of the Companies Act, 1956, (hereinafter referred to as “the Act”) including any statutory modifications or any amendment or any substitution or re-enactment thereof for the time being in force, approval of the

# Notice (Contd.)

Company be and is hereby, accorded for the re-appointment of Shri Amit Bhatnagar as the Managing Director of the Company, with effect from 1st February, 2013 to 31st January, 2016.

**RESOLVED FURTHER THAT** approval be and is hereby, accorded to the remuneration, perquisites, benefits and amenities payable as per the terms and conditions of the Agreement entered into by Shri Amit Bhatnagar with the Company for the aforesaid appointment and as set out in this notice; with authority to the Board of Directors of the Company to alter and / or vary the terms and conditions of the said appointment in accordance with, if any, the prescribed provisions of the Act and/or any schedules thereto.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company will pay Shri Amit Bhatnagar remuneration, perquisites, benefits and amenities not exceeding the ceiling laid down in Section II of Part II Schedule XIII of the Companies Act, 1956, as may be decided by the Board of Directors, subject to necessary sanctions and approvals.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby, authorised to enhance, enlarge, alter or vary the scope and quantum of remuneration, perquisites, benefits and amenities payable to Shri Amit Bhatnagar in the light of further progress of the Company, any revision in the remuneration should be made in conformity with any amendments to the relevant provisions of the Act and / or rules and regulations made there under and/or such guidelines as may be announced by the Central Government from time to time.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby, authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution, do all such acts, deeds, matters and things as may be necessary and sign and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters."

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

**"RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310, 311, 317 and Schedule

XIII and such other applicable provisions, if any, of the Companies Act, 1956, (hereinafter referred to as "the Act") including any statutory modifications or any amendment or any substitution or re-enactment thereof for the time being in force, approval of the Company be and is hereby accorded to the re-appointment of Shri Sumit Bhatnagar as Jt. Managing Director of the Company, with effect from from 1st February, 2013 to 31st January, 2016.

**RESOLVED FURTHER THAT** approval be and is hereby, accorded to the remuneration, perquisites, benefits and amenities payable as per the terms and conditions of the Agreement entered into by Shri Sumit Bhatnagar with the Company for the aforesaid appointment and as set out in this notice; with authority to the Board of Directors of the Company to alter and/or vary the terms and conditions of the said appointment in accordance with, if any, the prescribed provisions of the Act and/or any schedules thereto.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company will pay Shri Sumit Bhatnagar remuneration, perquisites, benefits and amenities not exceeding the ceiling laid down in Section II of Part II Schedule XIII of the Companies Act, 1956, as may be decided by the Board of Directors, subject to necessary sanctions and approvals.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to enhance, enlarge, alter or vary the scope and quantum of remuneration, perquisites, benefits and amenities payable to Shri Sumit Bhatnagar in the light of further progress of the Company, any revision in remuneration should be made in conformity with any amendments to the relevant provisions of the Act and / or rules and regulations made there under and/ or such guidelines as may be announced by the Central Government from time to time.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution, do all such acts, deeds, matters and things as may be necessary and sign and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters."

10. To consider and if thought fit, to pass with or without

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modification, following resolution as an Ordinary Resolution:

**“RESOLVED THAT** Shri Bhavin Shah, who was appointed as an Non-Executive Director of the Company and in terms of Section 260 of the Companies Act, 1956, read with Article 128 of the Articles of Association of the Company, holds such office up to this Annual General Meeting, and in respect of whom the Company has received Notice in writing, from a member of the Company under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director along with a deposit of Rs 500/- be and is here by appointed as Director of the Company, liable to retire by rotation.”

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

**“RESOLVED THAT** in super session of the resolution passed by the Company, pursuant to Section 293 (1)(d) of the Companies Act, 1956, at the Annual General Meeting of the Company held on 20th September, 2011 and all other applicable provisions, if any, consent of the shareholders, be and is hereby accorded to the Board of Directors of the Company to borrow monies (apart from temporary loans obtained from the bankers in the ordinary course of business) up to Rs. 3500.00 Crores (Rupees Three Thousand Five Hundred Crores Only) as outstanding at any time in excess of the aggregate of Paid Up Capital and Free reserves of the Company from time to time.”

## Notes:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and to vote at the meeting. The proxy need not be a member.
2. Proxy instrument should be duly completed, stamped, signed and must be deposited at the Corporate Office of the Company situated at 5/12, “Essen House”, BIDC, Gorwa, Vadodara, 390 016, Gujarat, India not less than 48 hours before the commencement of the meeting.
3. No person shall be entitled to attend or vote at the meeting as a duly authorized representative of a company or any corporate which is a shareholder of the company, unless a copy of the resolution appointing him/her as a duly authorized representative, certified to be true copy by the Chairman of the meeting at

which it was passed, shall have been deposited at the Corporate office of the company situated at 5/12, “Essen House”, BIDC, Gorwa, Vadodara, 390 016, Gujarat, India not less than 48 hours before the date of Annual General Meeting.

4. The Dividend, if declared, will be paid to those members, whose names appear on the Register of Members of the Company as on 28th September, 2012 being the date of Annual General Meeting of the Company.

In respect of shares held in electronic form, the dividend will be paid to those beneficial owners as per details furnished by depositories for the purpose.

5. Pursuant to Section 154 of the Companies Act 1956, the Register of Members and Share Transfer Books of the Company will remain closed from 20th September, 2012 to 28th September, 2012 (both days inclusive).
6. The Members are requested to make correspondence for any matters relating to Transfer or Dematerialization of Shares, changes in their addresses or bank details, names of the holders with Registrar and Transfer Agent (R. & T. A.) M/s. Karvy Computershare Private Limited, Plot No. 17 to 24, Vittalrao Nagar, Madhapur, Hyderabad 500 081.
7. As a measure of economy, the Company does not distribute the copies of Annual Report at the meeting. Hence, the members are requested to bring their copies with them.
8. As a responsible corporate citizen, the Company welcomes and supports the ‘Green Initiative’ taken by the Ministry of Corporate Affairs, enabling the Company to effect electronic delivery of documents. The above initiative will go a long way in conserving paper which is a natural resource and also result in substantial savings on printing and posting of annual reports and other documents of your Company sent to Members. Members are requested to support this Green Initiative by updating their email addresses with their respective Depository Participants, in case of electronic shareholding; or registering their email addresses with the Company’s Registrar and Transfer Agents, in case of physical shareholding.
9. Members seeking any information on the Accounts of the Company are requested to write to the Company Secretary, which should reach to the Company at

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least one week before the date of Annual General Meeting, so as to enable the management to keep the information ready. However, replies will be provided only at the Annual General Meeting.

10. Pursuant to the directives given by the SEBI, trading of our Company's shares in Dematerialized form has been made compulsory for all investors with effect from 26th February, 2001. The Company has entered into an agreement with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) as an issuer Company for the dematerialization of the Company's Shares. Request for dematerialization of Shares may be sent through respective Depository Participants.
11. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of the Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
12. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants. The address/bank mandate as furnished to the company by the respective Depositories viz, NSDL and CDSL will be printed on the dividend warrants.
13. Members desirous of making a nomination in respect of their shareholding in the company, as permitted under Section 109A of the Companies Act, 1956, are requested to send the same to the office of the Registrar and Share Transfer Agent of the company.

14. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID Numbers for identification.
15. In terms of Sections 205A and 205C of the Companies Act, 1956, the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF).
16. The Securities 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 the PAN to their Depository Participant with whom they are maintaining their Demat Accounts. Members holding shares in physical form are requested to submit their PAN details to the Registrar & Share Transfer Agent of the Company.
17. Information required under Clause 49 (IV)(G) of the Listing Agreement (relating to Corporate Governance) with respect to the Director being appointed and Directors retiring by rotation and being eligible for re-appointment is as under:

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<b>Name of the Director</b>	<b>Shri Suresh Narain Bhatnagar*</b>
<b>Position</b>	Executive Chairman
<b>Profile</b>	<p>Shri S. N. Bhatnagar is the Chairman of our Board of Directors since January 2010. Prior to that, he was the Chairman and Managing Director of our Company since 1993.</p> <p>Shri Bhatnagar is a Mechanical Engineer by qualification. He joined Jaipur Metals and Electrical Limited (Kamani group companies) in 1964. During his tenure he has worked on many significant positions and was instrumental in developing groove contact wires, machineries and process, for the first time in the country. He was also heading the conductor and rod division. After rendering his outstanding services to the company for 7 years he resigned and founded Diamond Cables Limited as a partnership company. His long experience of 48 years in the power sector industry proved to be fruitful to Diamond Power Infrastructure Limited (formerly known as Diamond Cables Limited). Shri Bhatnagar having an expertise in projects development and design of machines was also a project consultant during his long tenure and so far has headed 26 such projects.</p> <p>Shri Bhatnagar went an extra mile by serving as the President of Cable and Conductor Manufacturers Association of Gujarat for 20 years. He was also a member of ETDC – 37 the committee which framed the specification in Bureau of Indian Standards. Shri Bhatnagar has also received the 'Udyog Jyoti' and 'Udyog Patra' awards in 1984-2001 from the Government of India.</p>
<b>Date of Joining</b>	26th August, 1992
<b>No. of Shares held in the Company</b>	15,48,087 Equity Shares
<b>Directorship in other Companies</b>	<ul style="list-style-type: none"> <li>- Diamond Infosystems Limited</li> <li>- Diamond Projects Limited</li> <li>- Diamond Power Transformers Limited</li> <li>- Madhuri Finserve Private Limited (formerly known as Diamond Tele – Cabs Private Limited)</li> <li>- Diamond Power Global Holdings Limited (Dubai)</li> </ul>

# Notice (Contd.)

<b>Name of the Director</b>	<b>Shri Amit Suresh Bhatnagar*</b>
<b>Position</b>	Managing Director
<b>Profile</b>	<p>Shri Amit Bhatnagar is the Managing Director of our Company since January 2010. Prior to that, he was the Joint Managing Director of our Company since 1993. He holds a Bachelor's degree in Industrial Engineering (gold medalist) from Saurashtra University and MBA in Finance &amp; MOP with a gold medal from the Asian Institute of Management, Manila.</p> <p>Shri Bhatnagar has over 22 years of experience in Managing the Company. He also has a varied experience in the power equipment industry, which includes business-to-business selling via the dealer and industrial marketing route. He looks after the day to day operations of our Company, which includes sales, marketing, finance, procurement and public relations. He is also the president of Electrical Goods Manufacturers Association of Gujarat.</p> <p>Shri Bhatnagar was also awarded the 'Udyog Ratan' award for 2007-08 by the Government of India. He is also one of the founders of Vadodara Marathon' and is an Executive Committee Member of the Bal Gokulam, a children shelter established by the Government.</p>
<b>Date of Joining</b>	26th August, 1992
<b>No. of Shares held in the Company</b>	7,28,863 Equity Shares
<b>Directorship in other Companies</b>	<ul style="list-style-type: none"> <li>- Diamond Infosystems Limited</li> <li>- Diamond Projects Limited</li> <li>- Diamond Power Transformers Limited</li> <li>- Madhuri Finserve Private Limited (formerly known as Diamond Tele – Cabs Private Limited)</li> <li>- Diamond Power Global Holdings Limited (Dubai)</li> <li>- Apex Power Equipments Private Limited</li> <li>- Vadodara Marathon</li> </ul>

# Notice (Contd.)

<b>Name of the Director</b>	<b>Dr. Sumit Suresh Bhatnagar*</b>
<b>Position</b>	Jt. Managing Director
<b>Profile</b>	<p>Dr. Sumit Bhatnagar is the Joint Managing Director of our Company since January 2010. He has pursued BE in Electronics from Pune University and also holds an Hon. Doctorate in Business Management, MBA in international finance from Swinburne University, Melbourne, Australia with chancellor's medal and scholarship for obtaining highest grades in his course. He is also a certified ERP Professional for Microsoft, Oracle &amp; SAP.</p> <p>Shri Sumit Bhatnagar has been associated with our Company for over 19 years. He has more than 15 years of experience in Business Process Analysis, re-engineering, System Study like ERP, ISO 9002, developing in-house internal audit system and putting in place the MIS for decision making and control. Shri Bhatnagar headed the ERP and Microsoft Navision implementation at Diamond Power. He has also been associated in the development of software solutions for electrical industry.</p> <p>Shri Bhatnagar is also a Trustee on the Board of Bal Bhavan Society of Vadodara, the Vice President of Savli Taluka Industries Association, Chairman of Baroda Round Table – 49 and has also been felicitated with the National Business Leadership Award for Industrial Development given by IEDRA.</p>
<b>Date of Joining</b>	26th August, 1992
<b>No. of Shares held in the Company</b>	7,79,999 Equity Shares
<b>Directorship in other Companies</b>	<ul style="list-style-type: none"> <li>- Diamond Infosystems Limited</li> <li>- Diamond Projects Limited</li> <li>- Diamond Power Transformers Limited</li> <li>- Madhuri Finserve Private Limited (formerly known as Diamond Tele – Cabs Private Limited)</li> <li>- Diamond Power Global Holdings Limited (Dubai)</li> <li>- Apex Power Equipments Private Limited</li> </ul>

# Notice (Contd.)

<b>Name of the Director</b>	<b>Shri Bhavin Hasmukh Shah *</b>
<b>Position</b>	Non-Executive Director (Additional)
<b>Profile</b>	Shri Bhavin Shah is a qualified Chartered Accountant and holds an MBA from the Indian Institute of Management (IIM), Ahmedabad. He is presently an Associate Director at Kotak Private Equity and member of the investment team responsible for investments, portfolio oversight and monetization. Earlier, he was a Senior Vice President at Kotak Investment Banking where he was responsible for private equity fund raising for corporates. Prior to Kotak, he worked with Crimson Investments, a \$500 mn private equity fund based in Hong Kong with a focus on investments in emerging markets including India.
<b>Date of Joining</b>	9th November, 2011
<b>No. of Shares held in the Company</b>	Individual Capacity: Not holding any Shares in the Company Kotak India Growth Fund II : 30,47,107 Equity Shares
<b>Directorship in other Companies</b>	- Dyna spede Integrated Systems Private Limited

\*above details are as per the records available as on 31st March, 2012.

The Board of Directors recommended the re-appointment of Shri S. N. Bhatnagar, Shri Amit Bhatnagar, Shri Sumit Bhatnagar and Shri Bhavin Shah. Except these Directors, none of the Directors are concerned or interested in their re-appointment.

By Order of the Board  
**(Nishant Javlekar)**  
Company Secretary & Costing Officer

Date: 13th August, 2012  
Place: Vadodara



# Notice

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

### ITEM NO. 7

The shareholders of the Company in their Annual General Meeting held on 8th August, 2009 had approved reappointment of Shri S N Bhatnagar, as the Chairman & Managing Director of the Company for the period of 3 years on terms and conditions including salary and perquisites payable to him as per Section 198, 309, 310 and Schedule XIII of the Companies Act, 1956 whose expiry was due on 31st October, 2012.

Subsequently, Shri S N Bhatnagar in the Board Meeting held on 29th January, 2010 put forward his succession plan in view of his age by bringing new generation to infuse young and talented blood into the Management thereby, proposed to appoint Shri Amit Bhatnagar and Shri Sumit Bhatnagar as Managing Director and Jt. Managing Director respectively and retained his position as the Executive Chairman of the Company.

As an outcome of the devoted efforts, contribution and determined leadership of Shri Bhatnagar over a period of last 3 years, Company has reached its zenith in the form of terms of turnover and profitability. Shri Bhatnagar being a Promoter and Director has been devoting his full time and attention for the business and operations of the Company.

As Success is a journey and not a destination, the Company is yet to be an outperformer in terms of turnover and profitability in years to come. In spite of that, the acumen of Shri Bhatnagar as a visionary of the Company will definitely add light on the roadmap of the Company.

By keeping in view of overall inputs and support extended by Shri S. N. Bhatnagar to the Company and based on the recommendation of the remuneration committee your directors at their meeting held on 13th August, 2012, subject to the approvals of the Company in general meeting and Central Government, if required, will re appoint Shri Bhatnagar as Executive Chairman (Director Whole Time in Employment) of the Company for a period of 3 years starting from 1st November, 2012 to 31st October, 2015 as per following conditions:

#### A SALARY:

Rs. 1,00,34,926 (Rupees One Crore Thirty Four Thousand Nine Hundred and Twenty Six only) per-month-as basic salary. The Annual increment in basic salary will be minimum 15% every year.

#### B PERQUISITES:

- (I) The Executive Chairman shall be entitled to House Rent Allowance subject to 50% of the aforesaid salary. The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962. This shall however, be subject to a ceiling of 10% of the Basic Salary per annum.
- (II) The Executive Chairman shall be entitled for Medical Reimbursement, Leave Travel Concession, for self and family, club fees - maximum up to 24 % of salary per month.
- (III) The Executive Chairman shall be entitled for Special allowance maximum up to 25% of salary per month to maintain office at residence, subscription to various books and periodicals etc.
- (IV) Annual Increment: The Executive Chairman shall be entitled to get annual increment over and above normal increment as may be decided by the Board of Directors.
- (V) The following perquisites if applicable, shall not be included in the computation of the ceiling of remuneration:
  - (A) Contribution to Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable to under the Income Tax Act, 1961.
  - (B) Provision of car for use of Company's business and telephone at residence will not be considered as perquisites. However personal long distance calls and use of the car for private purpose shall be billed by the Company to the Executive Chairman.
  - (C) The Executive Chairman will be entitled to one month's leave with pay and allowance for every eleven months of service. Such leave may be accumulated as per Company's rules and practice and encashment of the same shall be allowed at the end of the tenure.
- (VI) The Executive Chairman shall not be entitled to sitting fees for attending meeting of the Board of Directors or Committees thereof.
- (VII) In absence of or inadequacy of profits in any financial year, the Executive Chairman will be entitled to said salary, perquisites, etc. as mentioned above as minimum remuneration.

# Notice (Contd.)

A copy of the draft Agreement proposed to be entered into is available for inspection during working hours of the Company on any day preceding the day of the Annual General Meeting.

The Reappointment of Shri S. N. Bhatnagar is in accordance with the norms laid down in Schedule XIII of the Companies Act, 1956, and any approval of the Central Government, along with the shareholders of the Company, if required, would be obtained in accordance with the provisions of Schedule XIII of the Companies Act, 1956.

This may be treated as an abstract of terms and memorandum of interest pursuant to Section 302 of the Companies Act, 1956.

Except Shri S. N. Bhatnagar and his relatives Shri Amit Bhatnagar and Shri Sumit Bhatnagar, none of the other directors may be considered to be concerned or interested in passing of this resolution.

The Board recommends the Resolution for approval of the Shareholders.

## ITEM NO. 8

The shareholders of the Company in their Annual General Meeting held on 28th September, 2010 approved appointment of Shri Amit Bhatnagar, as Managing Director of the Company for a period of 3 years commencing from 1st February, 2010 to 31st January, 2013 on terms and conditions including salary and perquisites payable to him as per Section 198, 269, 309, 310 and Schedule XIII of the Companies Act, 1956.

Shri Amit Bhatnagar succeeded Shri S N Bhatnagar as the Managing Director of the Company from the position of Jt. Managing Director as a result of the succession plan laid by Shri S N Bhatnagar, the former Managing Director of the Company.

The hardwork, perseverance and efforts injected by Shri Amit Bhatnagar in the Company has put the company in a pre-eminent position, enabling it to achieve new heights of success.

Based on the recommendation of the remuneration committee your directors at their meeting held on 13th August, 2012, subject to the approval of the Company in general meeting and Central Government, if required, will re appoint Shri Amit Bhatnagar as Managing Director of the Company for a period of 3 years starting from 1st February, 2013 to 31st January, 2016 as per following conditions:

## A SALARY:

Rs. 89,19,935 (Rupees Eighty Nine Lacs Nineteen Thousand Nine Hundred and Thirty Five only) per-month-as basic salary. The Annual increment in basic salary will be minimum 15% every year.

## B PERQUISITES:

- (I) The Managing Director shall be entitled to House Rent Allowance subject to 50% of the aforesaid salary. The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962. This shall however, be subject to a ceiling of 10% of the Basic Salary per annum.
- (II) The Managing Director shall be entitled for Medical Reimbursement, Leave Travel Concession, for self and family, club fees - maximum up to salary 24 % of salary per month.
- (III) The Managing Director shall be entitled for Special allowance maximum up to 25% of Salary per month to maintain office at residence, subscription to various books and periodicals etc.
- (IV) Annual Increment: The Managing Director shall be entitled to get annual increment over and above normal increment as may be decided by the Board of Directors.
- (V) The following perquisites if applicable shall not be included in the computation of the ceiling of remuneration:
  - (A) Contribution to Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable to under the Income Tax Act, 1961.
  - (B) Provision of car for use of Company's business and telephone at residence will not be considered as perquisites. However personal long distance calls and use of the car for private purpose shall be billed by the Company to the Managing Director.
  - (C) The Managing Director will be entitled to one month's leave with pay and allowance for every eleven months of service. Such leave may be accumulated as per Company's rules and practice and encashment of the same shall be allowed at the end of the tenure.
- (VI) The Managing Director shall not be entitled to sitting fees for attending meeting of the Board of Directors or Committees thereof.