



HINDUSTAN COMPOSITES LIMITED

Peninsula Business Park, 'A' Tower, 8th Floor, Senapati Bapat Marg, Lower Parel, Mumbai - 400013

NOTICE

Notice is hereby given that the Forty Ninth Annual General Meeting of the Company will be held at Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018, at 4.00 p.m. on Thursday, 29th August, 2013 to transact the following businesses:

ORDINARY BUSINESS

1. To consider, approve and adopt the Audited Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss for the year ended 31st March, 2013 together with the reports of the Directors' and Auditors' thereon.
2. To declare dividend for the year ended 31st March, 2013.
3. To appoint a Director in place of Mr. A. B. Vaidya, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Lt. Gen. (Retd.) K. S. Brar, who retires by rotation and being eligible, offers himself for re-appointment.
5. To re-appoint M/s. Lodha & Company, Chartered Accountants, Mumbai as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force), the revision in remuneration payable to Mr. P. K. Choudhary, Managing Director of the Company for the remaining period of his tenure w.e.f. 1st April, 2012, as detailed in the Explanatory Statement attached to this Notice, be and is hereby approved, with the liberty to the Board of Directors to revise the terms with regard to remuneration from time to time within the limits provided in the said Schedule XIII or any amendment thereto for the time being in force.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Mr. P. K. Choudhary as Managing Director of the Company, the payment of salary, perquisites and other allowances as approved by this resolution shall be payable as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary in this regard.”

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 and 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), approval of the Company be and is hereby accorded for the re-appointment of Mr. P. K. Choudhary as Managing Director of the Company for a further period w.e.f. 18th March, 2013 till 30th June, 2016.

RESOLVED FURTHER THAT the terms and conditions regarding remuneration payable to Mr. P. K. Choudhary as Managing Director of the Company, as set out in the Explanatory Statement attached to this Notice, be and is hereby approved for a period of three years w.e.f. 18th March 2013 to 17th March 2016, with the liberty to the Board of Directors of the Company to revise the terms with regard to remuneration from time to time within the limits provided in the said Schedule XIII or any amendment thereto for the time being in force.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Mr. P. K. Choudhary as Managing Director of the Company, the payment of salary, perquisites and other allowances as approved by this resolution shall be payable as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary to give effect to the above resolution.”

8. 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 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force), the revision in remuneration payable to Mr. Varunn Mody, Executive Director of the Company for the remaining period of his tenure w.e.f 1st April, 2012, as detailed in the Explanatory Statement attached to this Notice, be and is hereby approved, with the liberty to the Board of Directors to revise the terms with regard to remuneration from time to time within the limits provided for in the said Schedule XIII or any amendment thereto for the time being in force.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Mr. Varunn Mody as Executive Director of the Company, the payment of salary, perquisites and other allowances as approved by this resolution shall be payable as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary in this regard.”

9. 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 and 310 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 Central Government and all other necessary permissions, sanctions and approvals as may be required, the revision in remuneration payable to Mr. Varunn Mody, Executive Director – Treasury (re-designated) of the Company for the remaining period of his tenure w.e.f 1st April, 2013, as detailed in the Explanatory Statement attached to this Notice, be and is hereby approved, with the liberty to the Board of Directors to revise the terms with regard to remuneration from time to time within the limits provided for in the said Schedule XIII or any amendment thereto for the time being in force.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Mr. Varunn Mody as Executive Director of the Company, the payment of salary, perquisites and other allowances as approved by this resolution shall be payable as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary in this regard.”

10. 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 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force), the appointment of Mr. Raghu Mody as an Executive Chairman of the Company for a period of 3 (three) years w. e. f. 1st October, 2011 on the terms and conditions as set out in the Explanatory Statement attached to this notice, be and is hereby approved, with the liberty to the Board of Directors to revise the terms with regard to remuneration from time to time, within the limits provided in the said Schedule XIII to the Act or any amendment thereto for the time being in force.

RESOLVED FURTHER THAT in event of absence or inadequacy of profits in any financial year during the currency of tenure of Mr. Raghu Mody as Executive Chairman of the Company, the payment of salary, perquisites and other allowances as approved by this resolution shall be payable as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary in this regard.”

11. 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 314 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force), the appointment of Mrs. Shashi Mody, a relative of Mr. Raghu Mody and Mr. Varunn Mody, Directors of the Company, as General Manager - Corporate of the Company with effect from 1st September, 2012 on the terms and conditions as set out in the Explanatory Statement attached to

this Notice be and is hereby approved, with the liberty to the Board of Directors to revise the terms with regard to remuneration from time to time subject to a limit of Rs. 2,50,000 p.m. inclusive of all amenities and perquisites payable to her.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary in this regard.”

12. 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 269 and 309(5B) read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 ('the Act') and subject to the approval of Central Government and all other permissions, sanctions and approvals as may be necessary in this regard, the consent of the Company be and is hereby accorded for waiver from recovery of a sum of Rs. 12,96,040/- (Rupees Twelve Lacs Ninety Six Thousand Forty only) being excess remuneration already paid to Mr. Raghu Mody, Executive Chairman of the Company during the financial year 2012-13 in excess of the limits prescribed under Section 309(3) read with Schedule XIII of the Act.

RESOLVED FURTHER THAT an application be made to the Central Government under Section 309(5B) of the Act for its approval for waiver from recovery of excess remuneration paid to Mr. Raghu Mody, Executive Chairman of the Company during the financial year 2012-13 in excess of the limits prescribed in Section 309(3) read with Schedule XIII of the Act.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all actions and make application to Central Government and do all such acts, deeds, matters and things, as may be required from time to time to give effect to aforesaid resolution.”

13. 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 269 and 309(5B) read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 ('the Act') and subject to the approval of Central Government and all other permissions, sanctions and approvals as may be necessary in this regard, the consent of the Company be and is hereby accorded for waiver from recovery of a sum of Rs.35,98,000/- (Rupees Thirty Five Lacs Ninety Eight Thousand only) being excess remuneration already paid to Mr. Varunn Mody, Executive Director of the Company during the financial year 2012-13 in excess of the limits prescribed under Section 309(3) read with Schedule XIII of the Act.

RESOLVED FURTHER THAT an application be made to the Central Government under Section 309(5B) of the Act for its approval for waiver from recovery of excess remuneration paid to Mr. Varunn Mody, Executive Director of the Company during the financial year 2012-13 in excess of the limits prescribed in Section 309(3) read with Schedule XIII of the Act.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all actions and make application to Central Government and do all such acts, deeds, matters and things, as may be required from time to time to give effect to aforesaid resolution.”

By order of the Board of Directors

Place: Mumbai
Date: 10th May, 2013

Amit Goenka
G. M. Finance & Company Secretary

Registered Office:
Peninsula Business Park, 'A' Tower,
8th Floor, Senapati Bapat Marg,
Lower Parel, Mumbai - 400013

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXY FORM SHOULD BE LODGED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE TIME OF COMMENCEMENT OF THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 26th August, 2013 to 29th

August, 2013 (both days inclusive).

3. The shares of the Company are listed on BSE Ltd., National Stock Exchange of India Ltd. and The Calcutta Stock Exchange Association Limited. Listing fees for the financial year 2013-14 has been paid to all the stock exchanges except The Calcutta Stock Exchange Association Limited, where the company has applied for de-listing.
4. Members are requested to bring their copies of the Annual Report to the Meeting.
5. Members who hold shares in dematerialized form are requested to bring their client ID and DPID numbers for easier identification of attendance at the meeting.
6. As required under Section 205A and 205C of the Companies Act 1956, unclaimed dividend pertaining to the financial years ended up 31st March, 2005 has been transferred to the Investor Education and Protection Fund (IEPF). The balance amount in unpaid dividend account pertaining to the financial year 2005-06 is due for transfer to the Investors Education and Protection Fund by October, 2013. The shareholders whose dividend is remained unclaimed for the aforesaid financial year or for subsequent financial years are requested to claim it immediately from the Company, otherwise no claim shall lie against the said Fund or the Company in respect of any amounts which remained unclaimed for a period of seven years from the date it becomes first due for payment and no payment shall be made in respect of any such claim.
7. Queries on accounts and operations of the Company, if any, may please be sent to the Company seven days in advance of the meeting so that the answers can be made available at the Meeting.
8. Dividend on Equity shares as recommended by the Board of Directors for the year ended 31st March, 2013, if approved by the members at the Annual General Meeting, will be paid to those members whose names stand registered in the Register of members as on 29th August, 2013.
9. Brief resume of Directors proposed to be re-appointed at the ensuing Annual General Meeting in terms of Clause 49 of the Listing Agreement is annexed to the Notice.

**Information of Directors being proposed for Re-Appointment
[as required under Clause 49(IV) (G) of the Listing Agreement]**

1. **Mr. A. B. Vaidya**, aged 73 years, possesses 50 years of rich experience in Banking, Insurance and Realty Sector. He is a member of Audit and Remuneration Committee and Chairman of Shareholders'/Investors' Grievance Committee of the Company.

As on 31st March, 2013, Mr. Vaidya does not hold any shares in the Company.

2. **Lt. Gen. (Retd.) K. S. Brar**, aged 79 years, has a rich and varied management experience. He is also Director of Al Kabeer Exports Private Limited. He is also a member of Audit, Remuneration and Shareholders'/Investors' Grievance Committee of the Company.

As on 31st March, 2013, Mr. Brar does not hold any shares in the Company.

3. **Mr. P. K. Choudhary**, aged 58 years is a Chartered Accountant and a Company Secretary is associated with the Company since last 22 years. He has rich experience of 33 years in the field of finance, manufacturing and administration. He is also director of Prabhukripa Overseas Limited.

As on 31st March, 2013, Mr. Choudhary does not hold any shares in the Company.

4. **Mr. Raghu Mody**, aged 74 years is a leading industrialist with several decades of extensive and varied experience in setting up operating business in different kinds of industrial products. He is also Director of J. L. Morison (India) Limited, Rasoi Limited, Prabhukripa Overseas Limited, The West Coast Paper Mills Limited and Rasoi Express Private Limited. He is a member of Shareholders'/Invertors Grievance Committee of J. L. Morison (India) Limited and Audit and Shareholders'/Investors' Grievance Committee of the Company. He is also a Chairman of Investment Committee of the Company.

As on 31st March, 2013, Mr. Mody does not hold any shares in the Company.

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

Item Nos. 6 & 7

Mr. P. K. Choudhary, Managing Director of the Company has been associated with the Company since last 22 years. He is a Chartered Accountant and Company Secretary and has vast knowledge and experience in the field of finance, manufacturing and administration. Considering his experience, knowledge and contribution made in growth of the Company and as recommended by Remuneration Committee, the Board of Directors revised the remuneration payable to him for remaining period of his tenure w.e.f. 1st April, 2012 as follows:

1.	Salary	Rs. 175,000/- per month and special allowance of Rs. 110,000/- per month with an increase which may be decided by the Board of Directors from time to time within the limits, as specified in Schedule XIII to the Companies Act, 1956.
2.	Accommodation	Free furnished accommodation with reimbursement of the cost of electricity, water, gas and maintenance in the premises etc. not exceeding Rs. 10,000/- per month. In case no accommodation is provided, the payment of HRA subject to the ceiling of sixty percent of the salary.
3.	Conveyance/Motor Car	Provision of motor car with driver or Rs. 50,000/- per month.
4.	Medical	Reimbursement of medical expenses and insurance premium for self, spouse and dependent children, not exceeding Rs. 72,000/- per annum.
5.	Servant Allowance	Provision for Servant Allowance Rs. 7,500/- p.m.
6.	Leave Travel Concession	As per rules of the Company, not exceeding Rs. 132,000/- per annum.
7.	Provident and other funds including superannuation and gratuity	As per rules of the Company's Scheme.
8.	Personal accident insurance	As per rules of the Company's Scheme.
9.	Club subscription	Reimbursement of club subscription fees of one club.
10.	Leave encashment	Encashment of leave accumulation as per the rules of the Company.

The terms of appointment of Mr. P. K. Choudhary expired on 17th March, 2013. Considering his experience, knowledge and contribution made in growth of the Company and as recommended by Remuneration Committee, the Board of Directors has re-appointed him for a further period w.e.f. 18th March, 2013 to 30th June, 2016 on the terms and conditions as set out in the above table.

The above remuneration is to be paid as minimum remuneration in the absence or inadequacy of profits, subject to the provision of Part II of Schedule XIII of the Companies Act, 1956.

The Directors recommend the Special Resolutions as set out at item nos. 6 & 7 of the notice for approval of the Members.

Except Mr. P. K. Choudhary, none of the other Directors are interested in these resolutions.

Item Nos. 8 & 9

Mr. Varunn Mody, Executive Director of the Company has been associated with the Company since last 7 years. He is Commerce Graduate and has knowledge and experience in the field of Finance and Business Administration. Mr. Varunn Mody is re-designated as Executive Director – Treasury w.e.f. 1st April, 2013. Considering his experience, knowledge and contribution made in growth of the Company and as recommended by Remuneration Committee, the Board of Directors of the Company has revised the remuneration payable to him twice for the remaining period of his tenure once, w.e.f. 1st April, 2012 and second w.e.f. 1st April, 2013 as follows:

Sl. No.	Particulars of remuneration	w.e.f. 1 st April, 2012	w.e.f. 1 st April, 2013
1.	Salary	Rs. 4,25,000/- per month and special allowance of Rs. 1,00,000/- per month with an increase which may be decided by the Board of Directors from time to time within the limits as specified in Schedule XIII to the Companies Act, 1956.	Rs. 5,00,000/- per month and special allowance of Rs. 1,25,000/- per month with an increase which may be decided by the Board of Directors from time to time within the limits as specified in Schedule XIII to the Companies Act, 1956.
2.	Accommodation	Free furnished accommodation with reimbursement of the cost of electricity, water, gas and maintenance in the premises etc. not exceeding Rs. 14,000/- per month. In case no accommodation is provided, the payment of HRA subject to the ceiling of sixty percent of the salary.	Free furnished accommodation with reimbursement of the cost of electricity, water, gas and maintenance in the premises etc. not exceeding Rs. 20,000/- per month. In case no accommodation is provided, the payment of HRA subject to the ceiling of sixty percent of the salary.
3.	Medical	Reimbursement of medical expenses and insurance premium for self, spouse and dependent children, not exceeding Rs. 100,000/- per annum.	Reimbursement of medical expenses and insurance premium for self, spouse and dependent children, not exceeding Rs. 1,20,000/- per annum.
4.	Servant Allowance	Provision for Servant Allowance Rs. 15,000/- p.m.	Provision for Servant Allowance Rs. 20,000/- p.m.
5.	Leave Travel Concession	As per rules of the Company, not exceeding Rs. 1,50,000/- per annum.	As per rules of the Company, not exceeding Rs. 1,80,000/- per annum.
6.	Provident and other funds including superannuation and gratuity	As per rules of the Company's Scheme.	As per rules of the Company's Scheme.
7.	Personal accident insurance	As per rules of the Company's Scheme.	As per rules of the Company's Scheme.
8.	Conveyance Motor Car with Driver/Club Bills	Free Conveyance, Motor Car with Driver, Club Bills etc.	Free Conveyance, Motor Car with Driver, Club Bills etc.
9.	Leave encashment	Encashment of leave accumulation as per the rules of the Company.	Encashment of leave accumulation as per the rules of the Company.
10.	Commission	Such amount as may be decided by the Board of Directors of the Company from time to time, subject to limit prescribed under the Companies Act, 1956.	Such amount as may be decided by the Board of Directors of the Company from time to time, subject to limit prescribed under the Companies Act, 1956.

The above remuneration is to be paid as minimum remuneration in the absence or inadequacy of profits, subject to the provision of Part II of Schedule XIII of the Companies Act, 1956.

The Directors recommend the Special Resolutions as set out at item nos. 8 and 9 of the notice for approval of the Members.

Except Mr. Varunn Mody and Mr. Raghu Mody, none of the other Directors are interested in these resolutions.

Item No. 10

Mr. Raghu Mody, Executive Chairman of the Company is a promoter of the Company and is associated with the Company since 1987. He is a leading industrialist with several decades of extensive and varied experience in setting up businesses in different kinds of industrial products.

Considering his experience, knowledge and contribution made in growth of the Company and as recommended by Remuneration Committee, the Board of Directors of the Company has appointed him as an Executive Chairman of the Company for a period of 3 years w.e.f. 1st October, 2011 on the terms and conditions as follows:

1.	Salary	Rs. 4,00,000/- per month and special allowance of Rs. 85,000/- per month with an increase which may be decided by the Board of Directors from time to time within the limits, as specified in Schedule XIII to the Companies Act, 1956.
2.	Commission	Subject to limit prescribed under the Companies Act.
3.	Accommodation	Free furnished accommodation with reimbursement of the cost of electricity, water, gas, telephone and maintenance in the premises etc.
4.	Conveyance/Motor Car	Provision of Motor Car with driver.
5.	Medical	Reimbursement of medical expenses and insurance premium for self, spouse and dependant children, not exceeding Rs. 60,000/- per annum.
6.	Servant Allowance	Provision for Servant Allowance Rs. 10,000/- p.m.
7.	Gratuity	As per rules of the Company's Scheme.
8.	Personal accident insurance	As per rules of the Company's Scheme.
9.	Club subscription	Reimbursement of club subscription fees of two club.
10.	Leave encashment	Encashment of leave accumulation as per the rules of the Company.

The above remuneration is to be paid as minimum remuneration in the absence or inadequacy of profits, subject to the provision of Part II of Schedule XIII of the Companies Act, 1956.

The Directors recommend the Special Resolution as set out at item no. 10 of the notice for approval of the Members.

Except Mr. Raghu Mody and Mr. Varunn Mody, none of the other Directors are interested in this resolution.

Item No. 11

Mrs. Shashi Mody, a relative of Mr. Raghu Mody and Mr. Varunn Mody, Directors of the Company, was appointed as General Manager - Corporate of the Company w.e.f. 1st September, 2012. She possesses diversified knowledge and experience in different areas of business.

Terms and conditions of appointment of Mrs. Shashi Mody are as follows:

1.	Salary	Rs. 3,60,000/- per annum.
2.	Accommodation	Free furnished accommodation for self and family.
3.	Medical	Reimbursement of medical expenses for self, spouse and dependent children, not exceeding Rs.15,000/- per annum.
4.	Leave Travel Concession	As per rules of the Company, not exceeding Rs. 52,500/- per annum.
5.	Provident fund	As per rules of the Company's Scheme.
6.	Motor Car with Driver	Free Conveyance, Motor Car with Driver.

As per the provisions of Section 314(1)(b) of the Companies Act, 1956, the approval of members by passing a Special Resolution is required if any relative of director(s) of the Company is appointed for holding any office or place of profit carrying a total monthly remuneration of not less than Rs. 50,000/- per month.

The Directors recommend the Special Resolution as set out at item no. 11 of the notice for approval of the Members.

Except Mr. Raghu Mody and Mr. Varunn Mody, none of the other Directors are interested in this resolution.

Item No. 12

Mr. Raghu Mody was appointed as Executive Chairman of the Company for a period of 3 years w.e.f. 1st October, 2011. During the year 2012 – 13, the Company has paid a total remuneration of Rs. 60,96,040/- to Mr. Raghu Mody, Executive Chairman of the Company.

As per the provisions of Section 198 read with Section 309(3) of the Companies Act, 1956 ('the Act'), if a company has more than one managerial person, it can pay upto 10% of its net profits as remuneration to all of them together. Further, as per provisions of Section II of Part II of Schedule XIII of the Act, if in any financial year a Company has no profits or its profits are inadequate, it may pay remuneration to its managerial person as per provisions made in this Schedule. Accordingly, as per sub-paragraph B of Section II of Part II of Schedule XIII of the Act, the Company can pay upto Rs. 4,00,000/- per month or Rs. 48,00,000/- per annum to a managerial person.

During the financial year 2012-13, due to unfavourable market conditions and global economic slowdown, the Company could not maintain high level of profits in comparison to the previous year. Therefore, a sum of Rs. 12,96,040/- being the amount paid in excess of Rs. 48,00,000/-, which is maximum allowable limit as per sub-paragraph B of Section II of Part II of Schedule XIII of the Act, becomes to be in excess remuneration paid to Mr. Raghu Mody.

As per the provisions of Section 309(5B) of the Companies Act, 1956, subject to the approval of Central Government, the Company can waive from recovery of excess remuneration paid after according approval of the members of the Company.

The Directors recommend passing of the Special Resolution as set out at Item No. 12 of the Notice.

Except Mr. Raghu Mody and Mr. Varunn Mody, none of the other Directors are interested in this resolution.

Item No. 13

Mr. Varunn Mody was appointed as Executive Director of the Company for a period of 5 years w.e.f. 17th January, 2011. During the year 2012 – 13, the Company has paid a total remuneration of Rs. 90,10,000/- to Mr. Varunn Mody, Executive Director of the Company.

As per the provisions of Section 198 read with Section 309(3) of the Companies Act, 1956 ('the Act'), if a Company has more than one managerial person, it can pay upto 10% of its net profits as remuneration to all of them together. Further, as per provisions of Section II of Part II of Schedule XIII of the Act, if in any financial year a company has no profits or its profits are inadequate, it may pay remuneration to its managerial person as per provisions made in this Schedule. Accordingly, as per sub-paragraph B of Section II of Part II of Schedule XIII of the Act, the Company can pay upto Rs. 4,00,000/- per month or Rs. 48,00,000/- per annum to a managerial person.

During the financial year 2012-13, due to unfavorable market conditions and global economic slowdown, the Company could not maintain high level of profits in comparison to the previous year. Therefore, a sum of Rs. 35,98,000/- being the amount paid in excess of Rs. 48,00,000/-, which is maximum allowable limit as per sub-paragraph B of Section II of Part II of Schedule XIII of the Act, becomes to be in excess remuneration paid to Mr. Varunn Mody.

As per the provisions of Section 309(5B) of the Companies Act, 1956, subject to the approval of Central Government, the Company can waive from recovery of excess remuneration paid after according approval of the members of the Company.

The Director recommend passing of the Special Resolution as set out at Item No. 13 of the Notice.

Except Mr. Raghu Mody and Mr. Varunn Mody, none of the other Directors are interested in this resolution.

ADDITIONAL INFORMATION FOR ITEM NOS. 6, 7, 8, 9 AND 10

The details as required under proviso (iv) to Clause B of Part II of Schedule XIII to the Companies Act, 1956, are given below:

I. General Information

(1)	Nature of industry	The Company is engaged in the business of manufacturing of Auto Component and industrial products.
(2)	Date or expected date of commencement of commercial production	The Company is an existing Company and is in operation since 1964.
(3)	In case of new companies, expected date of commencement of activities as per project approved by the financial institutions appearing in the prospectus	N.A.
(4)	Financial performance based on given indicators	EPS : Rs. 20.72 / Return on network : 2.01%
(5)	Export performance and net foreign exchange collaborations	NIL
(6)	Foreign investments or collaborators, if any	NIL

II. Information about the appointees

A: MR. P. K. CHOUDHARY

(1)	Background details	Mr. P. K. Choudhary is a Chartered Accountant and also a Company Secretary. He is associated with the company since last 22 years and working as Managing Director since 2005.
(2)	Past Remuneration	Rs. 39.71 Lacs.
(3)	Recognition or awards	Mr. P. K. Choudhary is having good experience in the industry in which the company operates.
(4)	Job profile and his suitability	Being a professional (CA & CS) and having experience with Company, he will be able to discharge his responsibilities.
(5)	Remuneration proposed	Rs. 51.84 Lacs per annum (approx).
(6)	Comparative remuneration profile with respect to industry	At par with the industry standards in which the Company operates.
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	No relationship with any promoter, directors or managerial personnel.

B : MR. VARUNN MODY

(1)	Background details	Mr. Varunn Mody is a young entrepreneur having good knowledge of business.
(2)	Past Remuneration	Rs. 93.26 Lacs (including commission).
(3)	Recognition or awards	Mr. Varunn Mody is having good experience in the industry in which the company operates.
(4)	Job profile and his suitability	He is actively involved in the business of the Company and manages day to day treasury business activities and also provides guidance in different areas of business of the Company. Taking into consideration his expertise, he is well suited for the responsibilities currently assigned to him by the Board of Directors of the Company.

(5)	Remuneration proposed	Rs. 90.00 Lacs per annum (plus commission as may be decided by the Board).
(6)	Comparative remuneration profile with respect to industry	At par with the industry standards in which the Company operates.
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mr. Varunn Mody is a part of the promoter group of the Company and is also a relative of Mr. Raghu Mody, Executive Chairman of the Company.

C: MR. RAGHU MODY

(1)	Background details	Mr. Raghu Mody is a leading industrialist with several decades of extensive and varied experience in setting up an operating business in different kinds of industrial products.
(2)	Past Remuneration	Nil
(3)	Recognition or awards	Mr. Raghu Mody is having good experience in the industry in which the company operates.
(4)	Job profile and his suitability	He is actively involved in the business of the Company and is Chairman of the Company. He supervises overall management of the Company. Taking into consideration his expertise, he is well suited for the responsibilities currently assigned to him by the Board of Directors of the Company.
(5)	Remuneration proposed	Rs. 61.00 Lacs per annum (approx.)
(6)	Comparative remuneration profile with respect to industry	At par with the industry standards in which the Company operates.
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mr. Raghu Mody is a part of the promoter group of the Company and is also a relative of Mr. Varunn Mody, Executive Director of the Company.

III. Other information

(1)	Reasons of loss or inadequate profits	Due to unfavorable market conditions the company could not achieve high levels of profits.
(2)	Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms	The Company hope increase its revenue and profit margins in coming years with introduction of new range of products.

By order of the Board of Directors

Place: Mumbai
Date: 10th May, 2013

Amit Goenka
G. M. Finance & Company Secretary

Registered Office :
Peninsula Business Park, 'A' Tower,
8th Floor, Senapati Bapat Marg,
Lower Parel, Mumbai - 400013