



Jhunjhunwala Vanaspati Limited | Annual Report 2007-08

## Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



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## JHUNJHUNWALA VANASPATI LIMITED

Regd Off: Jhunjhunwala Bhawan, Nati Imli, Varanasi

### NOTICE

Notice is hereby given that the 19th Annual General Meeting of the members of Jhunjhunwala Vanaspati Limited will be held on Tuesday, September 30, 2008 at 3.00 P.M. at 'Hotel Taj Ganges' Nadesar, Varanasi to transact the following business:

#### Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as on March 31, 2008 and Profit & Loss Account for the year ended on that date and the reports of Directors and Auditors thereon.
2. To declare a Dividend on equity shares for the financial year ended on March 31, 2008.
3. To re-appoint Sri D.N. Jhunjhunwala, Director who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint Sri H. L. Agrawal, Director who retires by rotation and being eligible offers himself for re-appointment.
5. To re-appoint retiring Auditors M/s. Garg & Company, Chartered Accountants. Being eligible offer themselves for reappointment as statutory auditors for the Financial Year 2008-09 and 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 may be decided on mutual consent and advice of board and auditor.

#### Special Business

##### Ordinary Resolutions

##### 6. Borrowing Powers

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

"RESOLVED THAT in supersession of the resolution passed at the Sixteenth Annual General Meeting of the Shareholders of the Company held on December 22, 2005 consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company pursuant to Section 293(1)(d) and other applicable provisions of the Companies Act, 1956, for borrowing

from time to time, any sum or sums of money for the purposes of the Company upon such terms and conditions and with or without security as the Board of Directors may in its discretion think fit, notwithstanding, that the money or monies to be borrowed by the Company (apart from the Temporary loans obtained or to be obtained from time to time from the Company's Bankers in the ordinary course of business) together with the money already borrowed, may exceed the aggregate of the Paid-up share Capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose(s), provided however that the money or monies to be borrowed by the Company together with the money already borrowed shall not, at any time exceed Rs. 2,000 crores (Rupees Two Thousand crores only)".

7. Appointment of Sri S.N. Jhunjhunwala as Managing Director of the Company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as ordinary resolution:

"RESOLVED THAT pursuant to recommendation of the Remuneration Committee and in accordance with the provisions of sections 269, 198, 309 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, approval of the Company be and is hereby accorded to the appointment of Sri S. N. Jhunjhunwala as Managing Director of the Company, for a period of five years w.e.f. October 1, 2008, on a remuneration and on terms & conditions as set out in the Explanatory Statement annexed hereto."

"RESOLVED FURTHER THAT the aggregate amount of remuneration payable to Sri S. N. Jhunjhunwala in a particular financial year will be subject to the overall ceiling laid down in Sections 198 and 309 read with Schedule XIII of the Companies Act, 1956."

"RESOLVED FURTHER THAT in case the company has inadequate profit or loss, the remuneration would be restricted to maximum remuneration provided under Schedule XIII of the Companies Act, 1956."

8. Appointment of Sri Adarsh Jhunjhunwala as Whole-time

Director of the Company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as ordinary resolution:

"RESOLVED THAT pursuant to recommendation of the Remuneration Committee and in accordance with the provisions of sections 269, 198, 309 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, approval of the Company be and is hereby accorded to the appointment of Sri Adarsh Jhunjunwala as Whole-time Director of the Company, for a period of five years w.e.f. October 1, 2008, on a remuneration and on terms & conditions as set out in the Explanatory Statement annexed hereto."

"RESOLVED FURTHER THAT the aggregate amount of remuneration payable to Sri Adarsh Jhunjunwala in a particular financial year will be subject to the overall ceiling laid down in Sections 198 and 309 read with Schedule XIII of the Companies Act, 1956."

"RESOLVED FURTHER THAT in case the company has inadequate profit or loss, the remuneration would be restricted to maximum remuneration provided under Schedule XIII of the Companies Act, 1956."

#### Special Resolutions

9. Appointment of Sri D.N. Jhunjunwala as an Executive Chairman of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as special resolution:

"RESOLVED THAT pursuant to recommendation of the Remuneration Committee and in accordance with the provisions of sections 269, 198, 309 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 approval of the Company be and is hereby accorded to the appointment of Sri D.N. Jhunjunwala, who is 72 years of age as Chairman (Executive) of the Company, for a period of five years w.e.f. October 1, 2008, on a remuneration and on terms & conditions as set out in the Explanatory Statement annexed hereto."

"RESOLVED FURTHER THAT the aggregate amount of remuneration payable to Sri D.N. Jhunjunwala in a particular financial year will be subject to the overall ceiling laid down in Sections 198 and 309 read with Schedule XIII of the Companies Act, 1956."

"RESOLVED FURTHER THAT in case the company has inadequate profit or loss, the remuneration would be

restricted to maximum remuneration provided under Schedule XIII of the Companies Act, 1956."

#### 10. Name change of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as special resolution:

"RESOLVED THAT pursuant to Section 21 and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government, the name of the company be changed from 'Jhunjunwala Vanaspati Limited' to 'JVL Agro Industries Limited'."

"RESOLVED FURTHER THAT the name of 'Jhunjunwala Vanaspati Limited' wherever it appears in the Memorandum and Articles of Association of the Company be substituted by the name 'JVL Agro Industries Limited'."

"RESOLVED FURTHER THAT Board of Directors/Company Secretary be and is hereby authorized to do all such acts, deeds and things as may be deemed expedient and necessary to give effect to the change of name of the company."

#### 11. Raising of FCCBS/ADR/ GDR and Other Financial Instruments

To consider and if thought fit, to pass with or without modification(s), the following resolution as special resolution:

"RESOLVED THAT in accordance with the provisions of the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Transfer or Issue of Securities by a Person Resident Outside India) Regulations, 2000 (including any statutory modification or re-enactment thereof, for the time being in force), Guidelines of the Securities and Exchange Board of India, Section 81 and any other applicable provisions of the Companies Act, 1956, any provisions of all other applicable laws or rules and regulations (including any amendment thereto or re-enactment thereof, for the time being in force), including in particular, any other applicable provisions, schemes, rules and regulations, guidelines and circulars issued by Reserve Bank of India or any other authority, the enabling provisions in the Memorandum and Articles of Association of the Company and the listing agreements entered into by the Company with the stock exchanges where the shares of the Company are listed and subject to (if necessary) the approval, consent, permission and sanction of the Foreign Investment Promotion Board, the Government of India, the Reserve Bank of India, the

Ministry of Finance, the Department of Corporate Affairs, Securities and Exchange Board of India and any other appropriate authorities, institutions or regulators as may be necessary and subject to such conditions and modifications as may be prescribed by any of them in granting any such approval, consent, permission or sanction, as may be agreed to by the Board of Directors of the Company (the "Board" which shall also include any duly constituted Committee of the Board or any other person exercising the powers conferred on the Board vide this resolution), the consent of the Company be and is hereby accorded to the Board to issue, offer and allot in one or more public or private offerings in international markets, American Depository Receipts (hereinafter referred to as the "ADRs") and/ or Global Depository Receipts (hereinafter referred to as the "GDRs") or any other Depository Receipts, against existing equity shares of the Company, and / or Foreign Currency Convertible Bonds (hereinafter referred to as the "FCCBs", which would be convertible at the option of the holder into equity shares of the Company), to such persons, on such terms and conditions including such premium as may be permitted by the Ministry of Finance / such other authorities / such applicable law, and at such time or times, in such tranche or tranches and at such price or prices, at a discount or premium or at market prices, in such manner and on such terms and conditions, taking into consideration the prevailing market conditions and other relevant factors and, where necessary, in consultation with the lead managers, underwriters and other advisors, as may be deemed appropriate by the Board at the time of the issue or allotment, subject to, in all cases, applicable law(s), (Such issue is hereinafter referred to as the "ADR/GDR/FCCB Issue" and the ADRs/ GDRs/ FCCBs are hereinafter collectively referred to as the "Securities"), the ADR/GDR/FCCB Issue of the Securities shall be on such terms and conditions as the Board may, in its absolute discretion deem fit, and the Board shall be entitled to, for this purpose, cause allotment of the Securities to the investors in such foreign markets (whether these investors are institutions and / or incorporated bodies and/or individuals or otherwise and whether they are members of the Company or otherwise) provided that the funds raised through the issue and allotment of the Securities shall not exceed US\$30 million."

"RESOLVED FURTHER THAT without prejudice to the generality of the above and subject to all applicable laws, the aforesaid issue of Securities may have all or any of the terms or a combination of the terms in accordance with international practices, as the Board may deem fit,

including but not limited to conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever and all such terms as may be provided in Securities offerings of this nature, including, without limitation, terms for the issue of such Securities/equity shares upon conversion of the Securities or variation of the conversion price of the Securities during the term of the Securities; and the Company is also entitled to enter into and execute all such arrangements/agreements as the Board may deem fit with any lead managers, managers, underwriters, financial institutions, legal and other advisors, guarantors, depositories, custodians and all other agencies/intermediaries as may be involved or concerned in such an offering of the Securities and to remunerate all such agencies including the payment of commissions, brokerage, fees or the like, and also to seek the listing of such Securities or securities representing the same on one or more stock exchanges outside India, wherever permissible under applicable laws."

"RESOLVED FURTHER THAT the Company may enter into any arrangement with any agency or body authorized by the Company for the issue of Securities, in registered or bearer form, with such features and attributes as are prevalent in capital markets for instruments of this nature and as the Board may consider appropriate and to provide for the tradability or free transferability thereof as per domestic and/or international practice and regulations and under the forms and practices prevalent in securities markets."

"RESOLVED FURTHER THAT the Securities issued in foreign markets shall be deemed to have been made abroad and/or in the international market and/or at the place of issue of the securities in the international market and may be governed by applicable foreign laws."

"RESOLVED FURTHER THAT the Board of Directors or any Committee thereof be and is/are hereby authorised to issue and allot such number of equity shares as may be required to be issued and allotted upon issue and / or conversion of any securities referred to in the resolution or as may be necessary in accordance with the terms of the offering, all such equity shares being pari passu with the then existing equity shares of the Company in all respects."

"RESOLVED FURTHER THAT such of the securities and/or securities representing the same and / or equity shares to be issued, that are not subscribed to, may be disposed off by the Board, to such persons and in such manner and on such terms, as the Board/Committee may in its absolute



discretion think fit as permissible under applicable law.”

“RESOLVED FURTHER THAT for the purpose aforesaid, the Board be and is hereby authorised to settle all questions, difficulties or doubts that may arise (a) in regard to the issue, offer or allotment of securities and utilization of the issue proceeds, including, without limitation, the creation of such mortgage / charges under Section 293 (1) (a) of the Companies Act, 1956, in respect of the aforesaid securities either on pari passu basis or otherwise or (b) in the borrowing of loans as it may, in its absolute discretion deem fit, without being required to seek any further consent or approval of the members of the Company (the “Members”) or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

“RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of securities and/or securities representing the same and / or equity shares, as described hereinabove, the Board or any Committee thereof, be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as

it may, at its discretion deem necessary or desirable for such purpose, including without limitation, the utilization of issue proceeds, entering into underwriting, indemnification, escrow, marketing and depository arrangements in connection with the ADR/GDR/FCCB issue and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue or allotment, as it may in its absolute discretion deem fit.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred on the Board to any Committee of Directors or the Managing Director or any Director (s) of the Company to give effect to the aforesaid resolution.”

By order of the Board of Directors

Sd/-

**Alka Khemka**

*Company Secretary*

Place: Varanasi

Date : September 4, 2007



## 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 and a proxy need not be a member of the company. The proxy in order to be effective, must be deposited at the registered office of them company not less than 48 hours before the commencement of the meeting.
2. The Explanatory Statement setting out the material facts concerning the special business mentioned under Item No. from 6 to 11 of the notices as required under section 173 of the Companies Act, 1956, is annexed hereto.
3. The register of members and the share transfer books of the company will remain closed from September 20, 2008 to September 30, 2008 (Both days inclusive).
4. Bank details as furnished to the respective depository participant will be printed on the dividend warrant as per applicable regulations.
5. Shareholders who are holding shares in physical form are advised to dematerialise their share holding to avail the benefits of dematerialisation, which include easy liquidity since trading is permitted only in electronic form, saving of stamp duty and prevention of forgery.
6. The members are requested to:
  - a) Intimate changes, if any in their address at an early date.
  - b) Forward PAN/GIR nos with income tax ward /range district where assessed /assessable
  - c) Quote ledger folio Nos. in all their correspondence.
  - d) Intimate about the consolidation of the folios if shareholdings are multiple folios.

e) Bring their copies of annual reports and the attendance slips with them at the Annual General Meeting.

7. Additional information in term of Clause 49 of the listing agreement in respect of Directors being re-appointed is as under: -

**A) SHRI D. N. JHUNJHUNWALA**

- Date of Birth: February 2, 1936
- Date of appointment: November 17, 1989
- Expertise in Functional areas: Industrialist
- Sri D.N. Jhunjhunwala is the Chairman and Managing Director of the Company. He is a graduate in Industrial Chemistry. He has 46 years of experience of various facets of management out of which 26 years have been dedicated in oil industries
- Sri D. N. Jhunjhunwala promoted Jhunjhunwala Vanaspati Limited in 1989 and he was President of Solvent Extractors Association, Member of U.P. Oil Millers Association, Member of Vegetable Oil Refiners Association of India and he is also connected with various Philanthropic activities. He has written many books of social and religious use.
- Qualification: B. Sc. (Industrial Chemistry)
- Directorship held in other companies: Hari Fertilizers Limited
- Committee Membership:
  - 1) Audit Committee
  - 2) Warrant Allotment Committee
- Shareholdings in the Company: 622520 shares of Rs. 10 each

**B) SHRI S. N. JHUNJHUNWALA**

- Date of Birth: April 24, 1957
- Date of appointment: November 17, 1989
- Expertise in Functional areas: Industrialist
- Sri S.N. Jhunjhunwala is a Whole-time Director and is a commerce graduate with 26 years of experience in Solvent Extraction, Oil Refining and Vanaspati Manufacturing units. He is looking after all the affairs of the Company
- Qualification: B.Com
- Directorship held in other companies:
  - 1) Hari Fertilizers Limited
  - 2) Adamjee Extractions Pvt Ltd., Sri Lanka

3) JVL Overseas Pte. Ltd., Singapore

- Committee Membership:
  - 1) Warrant Allotment Committee
- Shareholdings in the Company: 446578 equity shares of Rs. 10 each.

**C) SRI H. L. AGRAWAL**

- Date of Birth: August 1, 1927
- Date of appointment: June 1, 1992
- Expertise in Functional areas: Legal
- Sri H. L. Agrawal is a Director and an Ex Administrative Judge of H'ble Patna High Court and retired Chief Justice of Honorable Orissa High Court. He has extensive experience in the fields of Legal Matters. He is looking after all the legal affairs of the Company
- Qualification: MA, LLB
- Directorship held in other companies: None
- Committee Membership:
  - 1) Remuneration Committee
  - 2) Shareholder's/ Investor's Grievance Committee
  - 3) Warrant Allotment Committee
- Shareholdings in the Company: None

**D) SHRI ADARSH JHUNJHUNWALA**

- Date of Birth: July 5, 1983
- Date of appointment: February 27, 2007
- Expertise in Functional areas: Commerce & Financial Accounting
- Sri Adarsh Jhunjhunwala is a chartered accountant and completed his masters in Business Administration from Indian School of business, Hyderabad.
- Qualification: Chartered Accountant & MBA (Finance).
- Directorship held in other companies:
  - 1) Jhunjhunwala Oil Mills Ltd
  - 2) Hari Fertilizers Limited
- Committee Membership: None
- Shareholdings in the Company: None

## EXPLANATORY STATEMENT UNDER SECTION 173 OF THE COMPANIES ACT, 1956

### ITEM NO.6

As per the provisions of Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of a Public Company can not borrow money (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) in excess of the Company's Paid-up Capital and Free Reserves (that is reserves not set apart for any specific purpose) without the consent of the shareholders in the General Meeting.

The shareholders of the Company at their Sixteenth Annual General Meeting held on December 22, 2005, via Item No. 6 of the Notice dated November 28, 2005 had authorised the Board of Directors to borrow upto Rs. 800 crores. Taking in to account the future expansion plans of the company the Debts/borrowings may exceed the Paid up Capital and Free Reserves of the Company and further the Company may avail further loans from the Banks/Financial Institutions or any other Lenders for business purposes, hence, it is considered necessary to enhance the said borrowing limits of the Board of Directors to Rs. 2,000 crores.

The approval of members is being sought pursuant to section 293(1)(d) of the Companies Act, 1956, to authorise the Board of Directors to borrow upto a sum of Rs. 2,000 crores.

None of the Directors of the Company are interested in the said resolution.

The Board recommends the Ordinary Resolution for approval of members.

### ITEM NO.7

The present tenure of Sri S. N. Jhunjhunwala as Whole-time Director of the company would expire on 30th May, 2012.

The Award committee of Globoil India, an International Forum for Research, Analysis & Dissemination of knowledge on Vegetable Oil & related industries has selected Sri S. N. Jhunjhunwala, as Globoil Man of the year 2008, for his exemplary and trend setting performance and contribution to the industry.

Hence, the Board of Directors of the company have considered to change the designation as well as terms and conditions of Sri S. N. Jhunjhunwala. Therefore, it has been thought fit and proper to determine the present tenure on September 30, 2008 and to appoint him as Managing Director of the company for a period of five years from October 1, 2008 to September 30, 2013. The appointee has also consented to the above.

On the recommendation of the Remuneration Committee, the board of Directors of the company at their meeting held on September 4, 2008 have appointed Sri S. N. Jhunjhunwala as Managing Director of the company for a period of five Years from October 1, 2008 to September 30, 2013 (subject to approval of shareholders in Annual General Meeting), and have decided that the tenure of Sri D. N. Jhunjhunwala, the present Managing Director of the company will be determined on September 30, 2008. Further, for the sake of clarity, the charge of the position of Managing Director of the Company will be handed over to Sri S. N. Jhunjhunwala w.e.f October 1, 2008.

The appointment of Sri S. N. Jhunjhunwala as the Managing Director of the Company is subject to the following terms and conditions and remuneration as approved by Remuneration Committee:

- 1) Subject to the performance of the duties & obligations as that part of the Managing Director, the company shall during his tenure, pay him by way of his remuneration for the services as follows: -
  - A) Salary Rs. 1,00,000 per month only.
  - B) Free medical hospital treatment for him and his entire family subject direct payment of actual bills.
  - C) Travelling expenses for Air-conditioned Railway tour or Air passage for a holiday anywhere in India, once a year for himself and his family.
  - D) Reimbursement of club bills including membership subscription in respect of clubs.
  - E) Personal accident and Health Insurance policy of an amount, the annual premium for which not to exceed to Rs. 30,000 P.A including family.
  - F) Leave on full pay and allowance at the rate as allowable to other senior employees of the company in term of companies leave rules not exceeding one month leave for every 11 month service.



- G) Free use of a motorcar operated & maintained by the company with driver, the monetary value of which may be evaluated as per Income Tax Rules, in force for the time being.
- H) Free telephone and mobile facility at residence. Provision of car for use on companies business and telephone and mobile at residence will not be considered as perquisites.
- I) The total remuneration as mentioned in (A) to (H) above shall not exceed from the limits as applicable to the company, under Schedule XIII of the Companies Act, 1956 from time to time.
- J) Contribution to Provident Fund, Super Annuation Fund, Annuity Fund to the extent either singly or put together are not taxable under Income Tax Act, 1961.
- K) Gratuity payable at the rate not exceeding half a month salary for each completed years of service.
- L) Encashment of leave at the end of his tenure.”

The approval of members is being sought for the appointment of Managing Director and for the remuneration within the maximum limits prescribed under the Act.

None of the Directors other than Sri D. N. Jhunjunwala, Sri S. N. Jhunjunwala, & Sri Adarsh Jhunjunwala are interested in the resolution.

The Board recommends the Ordinary Resolution for approval of members.

#### **ITEM NO. 8**

The Board of Directors of the company have considered to change the designation as well as terms and conditions of Sri Adarsh Jhunjunwala and to appoint him as Whole-time Director of the company for a period of five years from October 1, 2008 to September 30, 2013. The appointee has also consented to the above.

On the recommendation of the Remuneration Committee, the Board of Directors of the Company at their meeting held on September 4, 2008 have appointed Sri Adarsh Jhunjunwala as Whole-time Director of the company for a period of five years from October 1, 2008 to September 30, 2013 (subject to approval of shareholders in Annual General Meeting), and have decided that the tenure of Sri S. N. Jhunjunwala, the present Whole-time Director of the company will be determined on September 30, 2008. Further, for the sake of clarity, the charge of the position of Whole-time Director of the company will be handed over to Sri Adarsh Jhunjunwala w.e.f October 1, 2008.

The appointment Sri Adarsh Jhunjunwala as a Whole-time Director of the Company is subject to the following terms and conditions and remuneration as approved by remuneration committee:

- 1) Subject to the performance of the duties and obligations as that part of the Whole-time Director, the Company shall during his tenure, pay him by way of his remuneration for the services as follows: -
  - A) Salary Rs. 70,000 per month only.
  - B) Free medical hospital treatment for him and his entire family subject direct payment of actual bills.
  - C) Travelling expenses for Air-conditioned Railway tour or Air passage for a holiday anywhere in India, once a year for himself and his family.
  - D) Reimbursement of club bills including membership subscription in respect of clubs.
  - E) Personal accident and Health Insurance policy of an amount, the annual premium for which not to exceed to Rs. 20,000.
  - F) Leave on full pay and allowance at the rate as allowable to other senior employees of the company in term of companies leave rules not exceeding one month leave for every 11 month service.
  - G) Free use of a motorcar operated & maintained by the company with driver, the monetary value of which may be evaluated as per Income Tax Rules, in force for the time being.
  - H) Free telephone and mobile facility at residence. Provision of car for use on companies business and telephone and mobile at residence will not be considered as perquisites.

- I) The total remuneration as mentioned in (A) to (H) above shall not exceed from the limits as applicable to the company, under Schedule XIII of the Companies Act, 1956, from time to time.
- J) Contribution to Provident Fund, Super Annuation Fund, Annuity Fund to the extent either singly or put together are not taxable under Income Tax Act, 1961.
- K) Gratuity payable at the rate not exceeding half a month salary for each completed years of service.
- L) Encashment of leave at the end of his tenure."

The approval of members is being sought for the appointment of Whole-time Director and for the remuneration within the maximum limits prescribed under the Act.

None of the Directors other than Sri D. N. Jhunjunwala, Sri S. N. Jhunjunwala, & Sri Adarsh Jhunjunwala are interested in the resolution.

The Board recommends the Ordinary Resolution for approval of members.

#### **ITEM NO.9**

The present tenure of Sri D. N. Jhunjunwala as Managing Director of the Company would expire on May 30, 2012.

The Board of Directors of the Company has considered to change the designation as well as terms and conditions of Sri D. N. Jhunjunwala. Therefore, it has been thought fit and proper to determine the present tenure on September 30, 2008 and re-appointing him as Chairman (Executive) of the Company for a period of five years from October 1, 2008 to September 30, 2013. The appointee has also consented to the above.

On the recommendation of the Remuneration Committee the board of Directors of the company at their meeting held on September 4, 2008, have re-appointed Sri D. N. Jhunjunwala as Chairman (Executive) of the company for a period of five years from October 1, 2008 to September 30, 2013. (subject to approval of shareholders in Annual General Meeting).

The re-appointment Sri D. N. Jhunjunwala as Chairman (Executive) of the company is subject to the following terms & conditions and remuneration as approved by remuneration committee:

- 1) Subject to the performance of the duties & obligations as that part of the Chairman (Executive), the company shall during his tenure, pay him by way of his remuneration for the services as follows: -
  - A) Salary Rs. 1,00,000 per month only.
  - B) Free medical hospital treatment for him and his entire family subject direct payment of actual bills.
  - C) Travelling expenses for Air-conditioned Railway tour or Air passage for a holiday anywhere in India, once a year for himself and his family.
  - D) Reimbursement of club bills including membership subscription in respect of clubs.
  - E) Personal accident and Health Insurance policy of an amount, the annual premium for which not to exceed to Rs. 30,000 P.A including family.
  - F) Leave on full pay and allowance at the rate as allowable to other senior employees of the company in term of companies leave rules not exceeding one month leave for every 11 month service.
  - G) Free use of a motorcar operated & maintained by the company with driver, the monetary value of which may be evaluated as per Income Tax Rules, in force for the time being.
  - H) Free telephone and mobile facility at residence. Provision of car for use on companies business and telephone and mobile at residence will not be considered as perquisites.
  - I) The total remuneration as mentioned in (A) to (H) above shall not exceed from the limits as applicable to the company, under Schedule XIII of the Companies Act, 1956, from time to time.
  - J) Contribution to Provident Fund, Super Annuation Fund, Annuity Fund to the extent either singly or put together are not taxable under Income Tax Act, 1961.