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# Corporate Information

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## Board of Directors

S.K. Khaitan, Chairman (upto 3rd November, 2012)  
Sunil K. Khaitan, *Chairman & Managing Director*  
Sajjan Dabriwal, *Dy. Managing Director*  
Biswajit Choudhuri  
M.G. Todi  
A.K. Kajaria  
V.K. Rungta  
Shiv Kumar Bajaj (w.e.f 20th October, 2012)

## Auditors

M/s. V.S. Rao & Co.  
*Chartered Accountants*

M/s. G.P. Agrawal & Co.  
*Chartered Accountants*

## Bankers

State Bank of Travancore  
State Bank of Patiala  
IDBI Bank Ltd.  
Allahabad Bank  
Indian Bank

## Depository Registrar & Share transfer agent

M/s. CIL Securities Ltd.  
214, Raghava Ratna Towers  
Chirag Ali Lane  
Hyderabad – 500 001  
Telephone: (040) 23202465/ 23203155  
Fax: (040) 66661267  
Email: rta@cilsecurities.com

## Branches

Ahmedabad, Bengaluru, Chandigarh, Chennai, Cuttack,  
Faridabad, Ghaziabad, Guwahati, Hyderabad, Indore, Jaipur,  
Kanpur, Kochi, Kolkata, Mumbai, New Delhi, Patna, Raipur,  
Ranchi and Rishikesh

## Corporate Office

'Everest' 20th Floor  
46C, J.L. Nehru Road  
Kolkata – 700 071  
Telephone: (033) 40505000  
Fax: (033) 22884143

## Registered Office

A-13, Co-operative Industrial Estate  
Balanagar, Hyderabad – 500 037  
Telephone: (040) 23770640  
Fax: (040) 23770646

## Kolkata Works

P-10, Transport Depot Road  
Kolkata – 700 088

## Hyderabad Works

129, Sri Venkateswara Co-op. Industrial Estate  
IDA, Bollaram – 502 320 Medak Dist. (A.P.)

## Faridabad Works

Plot No. 14, Sector – 6  
Faridabad – 121 006 (Haryana)

# Notice

## TO THE MEMBERS

The 37th Annual General Meeting of **KHAITAN ELECTRICALS LIMITED** will be held on Monday, the 16th September, 2013 at 11.00 A.M. at Surana Udyog Hall, Federation House, FAPCCI , 11-6-841, Red Hills, Hyderabad-500004 to transact the following business:

<ol style="list-style-type: none"> <li>To receive and adopt the audited Balance Sheet as at 31st March, 2013 and Profit &amp; Loss Account for the year ended on that date together with the reports of the Directors and Auditors thereon.</li> <li>To appoint a Director in place of Sri Sunil. K. Khaitan who retires by rotation and, being eligible, offers himself for re-appointment.</li> <li>To appoint a Director in place of Sri Sajjan Dabriwal who retires by rotation and, being eligible, offers himself for re-appointment.</li> <li>To appoint a Director in place of Sri Biswajit Choudhuri who retires by rotation and, being eligible, offers himself for re-appointment .</li> <li>To appoint a Director in place of Dr. V.K. Rungta who retires by rotation and, being eligible, offers himself for re-appointment</li> <li>To appoint M/s. V.S.Rao &amp; Co. Chartered Accountants, Hyderabad and M/s. G.P.Agrawal &amp; Co. Chartered Accountants, Kolkata as Joint Auditors who shall hold office from the conclusion of this Annual General Meeting and till the conclusion of next Annual General Meeting and fix their remuneration.</li> </ol>	<p><b>SPECIAL BUSINESS</b></p> <ol style="list-style-type: none"> <li>To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution.  “RESOLVED that in terms of provisions of Section 198, 269, 309, 310, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 , Sri Sunil K. Khaitan be reappointed as Chairman and Managing Director of the Company and consent be and is hereby accorded to him for holding and continue to hold an office or place of profit in the Company for a period of three years, commencing from 01.11.2013 to 31.10.2016 on the terms set out in the explanatory statement annexed hereto”  “RESOLVED FURTHER that the Board of Directors of the Company (including remuneration Committee) be and are hereby authorized to do all such acts and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its power here in conferred to any Director/ Officer of the Company to give effect to the aforesaid resolution.”</li> <li>To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution.</li> </ol>	<p>“RESOLVED that in terms of provisions of Section 198, 269, 309, 310, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 , Sri Sajjan Dabriwal be reappointed as Deputy Managing Director of the Company and consent be and is hereby accorded to him for holding and continue to hold an office or place of profit in the Company for a period of three years, commencing from 20.09.2013 to 19.09.2016 on the terms set out in the explanatory statement annexed hereto”</p> <p>“RESOLVED FURTHER that the Board of Directors of the Company (including remuneration Committee) be and are hereby authorized to do all such acts and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its power here in conferred to any Director/ Officer of the Company to give effect to the aforesaid resolution.”</p> <p style="text-align: right;">By Order of the Board <b>G. R. Choudhary</b> Chief Financial Officer &amp; Secretary</p> <p>46C, J.L.Nehru Road Kolkata – 700 071 29th May, 2013</p>
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## NOTES:

<ol style="list-style-type: none"> <li>The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the business under item No.7 and 8 set out above is annexed hereto.</li> <li>A Member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself/ herself/itself and the Proxy need not</li> </ol>	<p>be a Member of the Company. Proxies, in order to be effective, must be received at the Registered Office of the Company, atleast 48 hours before commencement of the Meeting.</p> <ol style="list-style-type: none"> <li>The Register of Members and Share Transfer Books of the Company will remain closed from 1st September, 2013 to 16th September, 2013 (both days inclusive).</li> </ol>	<ol style="list-style-type: none"> <li>Members are requested to bring along their copies of the Annual Report in the meeting.</li> <li>Members, who have not encashed their dividend warrants for the financial years commencing from 1st April, 2006 are requested to approach the Company for obtaining duplicate Dividend Warrants.</li> <li>Members, desiring to seek any information on the annual accounts at</li> </ol>
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<p>the meeting, are requested to write to the Company atleast 10 days in advance of the meeting to facilitate compilation thereof.</p>		
<p>7. (a) In order to provide protection against fraudulent encashment of the warrants, shareholders holding shares in physical form are requested to intimate the Company under the signature of the Sole / First joint holder, the following information to be incorporated on the Dividend Warrants.</p>	<p>(ii) Particulars of Bank Account, viz.,</p> <p>(a) Name of the Bank.</p> <p>(b) Name of Branch</p> <p>(c) Complete address of the Bank with Pin Code Number</p> <p>(d) Account type, whether Savings (SB) or Current Account (CA)</p> <p>(b) Shareholders holding shares in electronic form may kindly note that their Bank account details as furnished by their Depositories to the Company will be printed on their Dividend Warrants as per the applicable regulations of the</p>	
<p>i) Name of the Sole/First joint holder and the Folio Number.</p>		<p>Depositories and the Company will not entertain any direct request from such shareholders for deletion of/change in such Bank details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mode. Shareholders who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such change, with complete details of Bank Account.</p>

### IMPORTANT

AS INFORMED MEMBERS ARE ONCE AGAIN REQUESTED TO SURRENDER THEIR OLD SHARE CERTIFICATE/S I.E. KEL/KOLKATA AND KTEL/HYDERABAD FOR EXCHANGE WITH THE NEW SHARE CERTIFICATES I.E. KEL/HYDERABAD.

FURTHER, AS THE COMPANY'S SHARES ARE UNDER COMPULSORY DEMAT (ISIN "INE 761A01019") SHAREHOLDERS ARE ONCE AGAIN REQUESTED IN THEIR OWN INTEREST TO CONVERT THEIR SHARES FROM PHYSICAL FORM TO DEMAT.

# ANNEXURE TO NOTICE:

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

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice dated 29th May, 2013

### ITEM NO. 7

The Board of Directors of the Company, at its meeting held on 29th May, 2013 had re-appointed Mr. Sunil K. Khaitan as Chairman & Managing Director on the terms and conditions and remuneration as set out here under.

As required under Para (c) of Section II of Part II of Schedule XIII to the Companies Act 1956, the relevant details to be sent along with the notice calling the General meeting are under:

#### I. GENERAL INFORMATION:

1. Nature of Industry - Manufacturing and Trading of Electric fans, Compact fluorescent lamps, Appliances, Wires and Cables, Pumps etc.
2. Date or expected date of commencement of commercial production - The Company's Electric fans business commenced commercial production since 1976
3. In case of new Companies expected date of commencement and activities as per project financial institutions appearing in the prospectus - N.A.
4. Financial Performance based on given indicators (Rs. in lacs)

Particulars	Year ended 31st March, 2011	Year ended 31st March, 2012	Year ended 31st March, 2013
1. Net Sales and Other Income	47555	45230	52528
2. Operating Profit (before interest dep. and taxation)	3741	2198	4431
3. Profit before taxation	879	(1652)	907

5. Export performance and net foreign Exchange Collaborations.

Particulars	Year ended 31st March, 2011	Year ended 31st March, 2012	Year ended 31st March, 2013
Foreign Exchange earnings	716	563	469
Outgo	3585	4263	2606

6. Foreign Investment or collaborations, if any - NIL

#### II. Information about Sri Sunil K. Khaitan

1. Background details - Sri Sunil K. Khaitan took over the reins of Khaitan Electricals Ltd as Vice Chairman and Managing Director in November 1998. Since then he has steered the destiny of Khaitan Electricals Ltd with a single minded focus of making Khaitan Electricals Ltd an electric conglomerate. He was responsible for the strategic decision of including emerging products into product mix of the Company which resulted into phenomenal growth in the turn-over of the Company from Rs 100 Crores to Rs 500 Crores. He was appointed as the Vice-Chairman on the Board of erstwhile Khaitan Electricals Ltd, Kolkata and was elevated to the position of Vice Chairman and Managing Director in November, 1999. He was appointed as Chairman of the Board and Company on 10th November, 2012 in place of Late Sri Shree Krishna Khaitan.

With a drive for creating new brands, Sri Sunil K. Khaitan has taken active interest in the launch of new products. He was instrumental in successful launching of Zolta brand in 2000. His personal vision for the group is to take the company from being amongst the electrical conglomerates in India.

Sri Sunil K. Khaitan aged 53 Years, is Master in Business Administration and has only three decades of experience in the field of Industry, business and corporate management.

Sri Sunil K. Khaitan is member in Remuneration/ Share Transfer/Investors Grievance Committee.

The other Directorship of Sri Sunil K Khaitan are as follows:

Name of the Company	Board position held	Committee Membership
Khaitan (India) Ltd	Director	–
Khaitan Lefin Ltd,	Director	–
Khaitan Hotels Pvt. Ltd.	Director	–

## 2. Past remuneration of Sri Sunil K. Khaitan

Salary Approved by Shareholders at Annual General Meeting held on 16th September, 2008 : Rs. 2,50,000/- per month in the scale of Rs. 2,50,000/- - Rs.5,00,000/-per Month with an authority to the Board of Directors of the Company to grant such increments within the said schedule as it may determine from time to time

Salary approved by Remuneration Committee For the Financial Year 2012-13 : Rs. 2,50,000/- per month

Salary approved by Remuneration Committee For the Financial Year 2013-14 : Rs. 2,50,000/- per month

### Commission and Perquisites

#### Commission :

Such remuneration by way of commission in addition to the salary, perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular year, as may be determined by the Board of Directors of the Company at the end of each financial year subject to the overall ceiling stipulated in Sections 198 and 309 of the Act. The specific amount payable to Chairman and Managing Director will be based on certain performance criteria to be laid down by the Board and will be payable annually after the Annual Accounts have been approved by the Board of Directors.

#### Perquisites :

In addition to the salary and commission, he will be entitled to the following perquisites which shall be restricted to an amount equal to his individual salary.

#### CATEGORY I

- Rent-free residential accommodation, failing which House Rent Allowance @ 60% of the salary.
- The expenditure allowance incurred by the Company on Gas, Electricity, Water and Furnishings shall be valued as per Income Tax Rules, 1962 and shall not exceed 10% of the salary.

- City Compensatory Allowance @ 10% of the Salary

- The reimbursement of medical expenses actually incurred for self and family, in accordance with the Rules of the Company

- Leave Travel Assistance for self and family once in a year, incurred in accordance with the Rules of the Company.

- Fee of Club subject to a maximum of two Clubs. This will not include the Admission and/or Life Membership Fee

#### CATEGORY II

- The Company's contribution to Provident, Superannuation and other funds as per the rules. Such contribution will not be included in computation of the ceiling on perquisites to the extent, not taxable under the Income Tax Act, 1961.

- Gratuity at the rate of half month's salary for every completed year of service as per rules of the Company, subject to the limits prescribed by the Central Government, which will not be included in the computation of ceiling on perquisites.

- Earned Leave as per Rules of the Company. Encashment of leave at the end of the tenure will not be included in the computation of ceiling on perquisites.

#### CATEGORY III (Not to be considered as Perquisites)

Provision of car with driver for use on Company's business, alternatively car/conveyance expenses incurred on Company's business will be reimbursed at actuals.

Free telephone facility at residence, provided that charges for all personal long distance calls shall not be borne by the Company.

Group Personal Accident Insurance, premium of which not to exceed Rs.10,000/- p.a.

In the event of loss or inadequacy of profit, he will be entitled to the above salary and perquisites as minimum remuneration.

He will not be entitled to receive any fee for attending any meeting of the Board or a Committee thereof.

This appointment can be terminated by either party by giving three months' notice in writing to the other.

The remuneration, designation, terms and conditions of their appointment can be altered and varied from time to time by the Board as it may, in its discretion, deem fit within the provisions of Schedule XIII of the Companies Act, 1956.

#### 3. Awards : NIL

#### 4. Job profile and his suitability : Sri Sunil K. Khaitan, Chairman and Managing

Director is vested with substantial powers of management under the superintendence, control and direction of the Board of Directors. He is also involved in policy planning, vision and strategy and long term development activities of the Company. As explained, Sri Sunil K. Khaitan as Chairman and Managing Director has steered the Company to its present position and his vision is to take the Company from being amongst the electrical conglomerates in India . Sri Sunil K. Khaitan devotes his full time in managing business of the Company.

**5. Remuneration proposed :** Remuneration as approved by the Board of Directors on 29th May, 2013 (for the period from 1st November, 2013 To 31st October, 2016) .

I. Salary : Rs 4,00,000/- per month :

II. COMMISSION: Such remuneration by way of commission in addition to the salary, perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular year, as may be determined by the Board of Directors of the Company at the end of each financial year subject to the overall ceiling stipulated in Sections 198 and 309 of the Act. The specific amount payable to Chairman and Managing Director will be based on certain performance criteria to be laid down by the Board and will be payable annually after the Annual Accounts have been approved by the Board of Directors.

III. Perquisites : In addition to the salary, he will be entitled to the following Perquisites which shall be restricted to an amount equal to his individual salary.

#### CATEGORY I

i. Rent-free residential accommodation, failing which House Rent Allowance @ 60% of the salary.

ii. The expenditure allowance incurred by the Company on Gas, Electricity, Water and Furnishings shall be valued as per Income Tax Rules, 1962 and shall not

exceed 10% of the salary.

iii. City Compensatory Allowance @ 10% of the Salary

iv. The reimbursement of medical expenses actually incurred for self and family, in accordance with the Rules of the Company

v. Leave Travel Assistance for self and family once in a year, incurred in accordance with the Rules of the Company.

vi. Fee of Club subject to a maximum of two Clubs. This will not include the Admission and/or Life Membership Fee

#### CATEGORY II

i. The Company's contribution to Provident, Superannuation and other funds as per the rules. Such contribution will not be included in computation of the ceiling on perquisites to the extent, not taxable under the Income Tax Act, 1961.

ii. Gratuity at the rate of half month's salary for every completed year of service as per rules of the Company, subject to the limits prescribed by the Central Government, which will not be included in the computation of ceiling on perquisites.

iii. Earned Leave as per Rules of the Company. Encashment of leave at the end of the tenure will not be included in the computation of ceiling on perquisites.

#### CATEGORY III (Not to be considered as Perquisites)

Provision of car with driver for use on Company's business, alternatively car/conveyance expenses incurred on Company's business will be reimbursed at actuals.

Free telephone facility at residence, provided that charges for all personal long distance calls shall not be borne by the Company.

Group Personal Accident Insurance, premium of which not to exceed Rs.10,000/- p.a.

He will not be entitled to receive any fee for attending any meeting of the Board or a Committee thereof.

This appointment can be terminated by either party by giving three months' notice in writing to the other.

The remuneration, designation, terms and conditions of his appointment can be altered and varied from time to time by the Board as it may, in its discretion, deem fit within the provisions of Schedule XIII of the Companies Act, 1956.

In the event of loss or inadequacy of Profit, he will be entitled to the above salary and perquisites not exceeding Rs.48,00,000 per annum as minimum remuneration for the period from 1st November 2013 to 31st October, 2016

6. Comparative remuneration policy with respect to industry, size of the company, profile of the position and person: The executive remuneration in the industry is on the rise. Appreciating this, the Central Government has also from time to time raised the ceiling specified in Schedule XIII dealing with the remuneration of managerial persons. The remuneration committee constituted by the Board of Directors in terms of the said schedule, perused remuneration of managerial persons in the relevant industry and other companies comparable with the size of the company, industry bench marks in general, approval and responsibilities of Sri Sunil K. Khaitan, before providing the remuneration as herein above.

7. Pecuniary Relationship directly or indirectly with the Company or relationship with managerial presence if any.,

Besides the remuneration Sri Sunil K. Khaitan does not have any pecuniary relationship with the Company. Sri Sunil K. Khaitan is the son of Late Sri S.K. Khaitan, former Chairman and related to him..

#### III. Other Information:

1. Reasons for loss / inadequacy of profits: The Company has regularly made adequate profits for the past few decades. The financial performance of the Company for the financial years 2010-11, 2011-12 and 2012-13 are given below:

(Rs. in lacs)

Particulars	2010-11	2011-12	2012-13
Turnover	46592	44134	51180
Other Income	963	1096	1348
Profit before tax	879	(1652)	907



The financial year 2011-12 was a difficult year for any industry which was badly hit by the unprecedented downturn in the global economy. Business and consumer sentiment across geographies was severely effected. The unanticipated crisis and steep increase in input costs effected the company's performance more so since the company mainly is in consumer durable and retail business.

2. Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms:

The Company has embarked on a series of strategy and operating measures that have resulted in the improvement in the year 2012-13. The inherent strength of the Company especially its manufacturing capability and wide distribution net work and cost optimization are also expected to enable the company to position itself during adversities. The company has also addressed the issue of productivity and has put in place measures to reduce cost and improve the bottom line.

Sri Sunil K. Khaitan is concerned and

interested in the above resolution to the extent of salary and perquisites payable to him. Sri Sajjan Dabriwal and Sri A.K. Kajaria being related to Sri Sunil K. Khaitan and therefore interested in the resolution to the extent of remuneration payable to him.

None of the other Directors of the Company is concerned or interested in the said resolution.

The Directors recommend the passing of the resolution at item No.7 of the accompanying notice.

## ITEM NO. 8

The Board of Directors of the Company, at its meeting held on 29th May, 2013 had re-appointed Mr. Sajjan Dabriwal as Dy. Managing Director on the terms and conditions and remuneration as set out here under.

As required under Para ( c) of Section II of Part II of Schedule XIII to the Companies Act 1956, the relevant details to be sent along with the notice calling the General meeting as under:

### I. GENERAL INFORMATION:

1. Nature of Industry - Manufacturing and Trading of Electric fans, Compact fluorescent lamps, Appliances, Wires and Cables, Pumps etc.
2. Date or expected date of commencement of commercial production - The Company's Electric fans business commenced commercial production since 1976.
3. In case of new Companies expected date of commencement and activities as per project financial institutions appearing in the prospectus - N.A.

#### 4. Financial Performance based on given indicators

(Rs. in lacs)

Particulars	Year ended 31st March, 2011	Year ended 31st March, 2012	Year ended 31st March, 2013
1. Net Sales and Other Income	47555	45230	52528
2. Operating Profit (before interest dep. and taxation)	3741	2198	4431
3. Profit before taxation	879	(1652)	907

#### 5. Export performance and net foreign Exchange Collaborations.

(Rs. in lacs)

Particulars	Year ended 31st March, 2011	Year ended 31st March, 2012	Year ended 31st March, 2013
Foreign Exchange earnings	716	563	469
Outgo	3585	4263	2606

#### 6. Foreign Investment or collaborations, if any - NIL

### II. Information about Sri Sajjan Dabriwal

1. Background details - Sri Sajjan Dabriwal took over the operations of the Company's Hyderabad facility as Deputy Managing Director in July, 1999. Since then he has efficiently ran the operation of Hyderabad facility. He has been responsible for cost optimization and process re-engineering. Sri Sajjan Dabriwal aged 45 years is Graduate in Commerce and has nearly two decades of experience in the field of industry and business management.

Sri Sajjan Dabriwal is member of Share Transfer/Investors Grievance Committee.

The other Directorship of Sri Sajjan Dabriwal are as follows:

Name of the Company	Board position held	Committee Membership
SYS Investments & Realty Ltd.	Director	–

## 2. Past remuneration of Sri Sajjan Dabriwal

Salary Approved by Shareholders at Annual General : Rs. 1,00,000/- per month

Meeting held on 16th September, 2010

Salary approved by Remuneration Committee : Rs. 1,00,000/- per month

For the Financial Year 2012-13

Salary approved by Remuneration Committee : Rs. 1,00,000/- per month

For the Financial Year 2013-14

### Commission and Perquisites

#### Commission :

Such remuneration by way of commission in addition to the salary, perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular year, as may be determined by the Board of Directors of the Company at the end of each financial year subject to the overall ceiling stipulated in Sections 198 and 309 of the Act. The specific amount payable to Dy. Managing Director will be based on certain performance criteria to be laid down by the Board and will be payable annually after the Annual Accounts have been approved by the Board of Directors.

#### Perquisites :

In addition to the salary and commission, he will be entitled to the following perquisites which shall be restricted to an amount equal to his individual salary.

#### CATEGORY I

- Rent-free residential accommodation, failing which House Rent Allowance @ 60% of the salary.
- The expenditure allowance incurred by the Company on Gas, Electricity, Water and Furnishings shall be valued as per Income Tax Rules, 1962 and shall not exceed 10% of the salary.
- City Compensatory Allowance @ 10% of the Salary.
- The reimbursement of medical expenses actually incurred for self and family, in accordance with the Rules of the Company.

- Leave Travel Assistance for self and family once in a year, incurred in accordance with the Rules of the Company.

- Fee of Club subject to a maximum of two Clubs. This will not include the Admission and/or Life Membership Fee

#### CATEGORY II

- The Company's contribution to Provident, Superannuation and other funds as per the rules. Such contribution will not be included in computation of the ceiling on perquisites to the extent, not taxable under the Income Tax Act, 1961.
- Gratuity at the rate of half month's salary for every completed year of service as per rules of the Company, subject to the limits prescribed by the Central Government, which will not be included in the computation of ceiling on perquisites.
- Earned Leave as per Rules of the Company. Encashment of leave at the end of the tenure will not be included in the computation of ceiling on perquisites.

#### CATEGORY III (Not to be considered as Perquisites)

Provision of car with driver for use on Company's business, alternatively car/conveyance expenses incurred on Company's business will be reimbursed at actuals.

Free telephone facility at residence, provided that charges for all personal long distance calls shall not be borne by the Company.

Group Personal Accident Insurance, premium of which not to exceed Rs. 10,000/- p.a.

In the event of loss or inadequacy of profit, he will be entitled to the above salary and perquisites as minimum remuneration.

He will not be entitled to receive any fee for attending any meeting of the Board or a Committee thereof.

This appointment can be terminated by either party by giving three months' notice in writing to the other.

The remuneration, designation, terms and conditions of their appointment can be altered and varied from time to time by the Board as it may, in its discretion, deem fit within the provisions of Schedule XIII of the Companies Act, 1956.

#### 3. Awards : NIL

**4. Job profile and his suitability :** Sri Sajjan Dabriwal, Deputy Managing Director is vested with substantial operational powers of Hyderabad facility under the superintendence, control and direction of the Chairman and Managing Director besides of Board of Directors. He is also involved in production planning, execution, product development, vendor development and also contribution to the marketing activities of the Company. As explained, Sri Sajjan Dabriwal, as Deputy Managing Director has assisted in bringing the Company to its present position.

**5. Remuneration proposed :** Remuneration as approved by the Board of Directors on 29th May, 2013 (for the period from 20th September, 2013 To 19th September, 2016).



<p>I. Salary : Rs 1,50,000/- per month :</p> <p>II. COMMISSION: Such remuneration by way of commission in addition to the salary, perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular year, as may be determined by the Board of Directors of the Company at the end of each financial year subject to the overall ceiling stipulated in Sections 198 and 309 of the Act. The specific amount payable to Deputy Managing Director will be based on certain performance criteria to be laid down by the Board and will be payable annually after the Annual Accounts have been approved by the Board of Directors.</p> <p>III. Perquisites : In addition to the salary, he will be entitled to the following Perquisites which shall be restricted to an amount equal to his individual salary.</p>	<p>vi. Fee of Club subject to a maximum of two Clubs. This will not include the Admission and/or Life Membership Fee.</p> <p><b>CATEGORY II</b></p> <p>i. The Company's contribution to Provident, Superannuation and other funds as per the rules. Such contribution will not be included in computation of the ceiling on perquisites to the extent, not taxable under the Income Tax Act, 1961.</p> <p>ii. Gratuity at the rate of half month's salary for every completed year of service as per rules of the Company, subject to the limits prescribed by the Central Government, which will not be included in the computation of ceiling on perquisites.</p> <p>iii. Earned Leave as per Rules of the Company. Encashment of leave at the end of the tenure will not be included in the computation of ceiling on perquisites.</p> <p><b>CATEGORY III (Not to be considered as Perquisites)</b></p> <p>Provision of car with driver for use on Company's business, alternatively car/conveyance expenses incurred on Company's business will be reimbursed at actuals.</p> <p>Free telephone facility at residence, provided that charges for all personal long distance calls shall not be borne by the Company.</p> <p>Group Personal Accident Insurance, premium of which not to exceed Rs.10,000/- p.a.</p> <p>He will not be entitled to receive any fee for attending any meeting of the Board or a Committee thereof.</p> <p>This appointment can be terminated by either party by giving three months' notice in writing to the other.</p> <p>The remuneration, designation, terms and conditions of his appointment can be altered and varied from time to time by the Board as</p>	<p>it may, in its discretion, deem fit within the provisions of Schedule XIII of the Companies Act, 1956.</p> <p>In the event of loss or inadequacy of Profit, he will be entitled to the above salary and perquisites not exceeding Rs.48,00,000 per annum as minimum remuneration for the period from 20th September, 2013 to 19th September, 2016.</p> <p>6. Comparative remuneration policy with respect to industry, size of the company, profile of the position and person: The executive remuneration in the industry is on the rise. Appreciating this, the Central Government has also from time to time raised the ceiling specified in Schedule XIII dealing with the remuneration of managerial persons. The remuneration committee constituted by the Board of Directors in terms of the said schedule, perused remuneration of managerial persons in the relevant industry and other companies comparable with the size of the company, industry bench marks in general, approval and responsibilities of Sri Sajjan Dabriwal, before providing the remuneration as herein above.</p> <p>7. Pecuniary Relationship directly or indirectly with the Company or relationship with managerial presence if any..</p> <p>Besides the remuneration, Sri Sajjan Dabriwal does not have any pecuniary relationship with the Company. Sri Sajjan Dabriwal is the brother in law of Sri Sunil K. Khaitan, Chairman and related to him..</p>
<p><b>CATEGORY I</b></p> <p>i. Rent-free residential accommodation, failing which House Rent Allowance @ 60% of the salary.</p> <p>ii. The expenditure allowance incurred by the Company on Gas, Electricity, Water and Furnishings shall be valued as per Income Tax Rules, 1962 and shall not exceed 10% of the salary.</p> <p>iii. City Compensatory Allowance @ 10% of the Salary</p> <p>iv. The reimbursement of medical expenses actually incurred for self and family, in accordance with the Rules of the Company</p> <p>v. Leave Travel Assistance for self and family once in a year, incurred in accordance with the Rules of the Company.</p>		<p>III. Other Information:</p> <p>1. Reasons for loss / inadequacy of profits: The Company has regularly made adequate profits for the past few decades. The financial performance of the Company for the financial years 2010-11, 2011-12 and 2012-13 are given below:</p>

(Rs. in lacs)

Particulars	2010-11	2011-12	2012-13
Turnover	46592	44134	51180
Other Income	963	1096	1348
Profit before tax	879	(1652)	907

<p>The financial year 2011-12 was a difficult year for any industry which was badly hit by the unprecedented downturn in the global economy. Business and consumer sentiment across geographies was severely effected. The unanticipated crisis and steep increase in input costs effected the company's performance more so since the company mainly is in consumer durable and retail business.</p>	<p>of strategy and operating measures that have resulted in the improvement in the year 2012-13. The inherent strength of the Company especially its manufacturing capability and wide distribution net work and cost optimization are also expected to enable the company to position itself during adversities. The company has also addressed the issue of productivity and has put in place measures to reduce cost and improve the bottom line.</p>	<p>interested in the resolution to the extent of remuneration payable to him.</p> <p>None of the other Directors of the Company is concerned or interested in the said resolution.</p> <p>The Directors recommend the passing of the resolution at item No.8 of the accompanying notice</p>
<p>2. Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms:</p> <p>The Company has embarked on a series</p>	<p>Sri Sajjan Dabriwal is concerned and interested in the above resolution to the extent of salary and perquisites payable to him. Sri Sunil K. Khaitan being related to Sri Sajjan Dabriwal and therefore</p>	<p>By Order of the Board</p> <p><b>G. R. Choudhary</b></p> <p><i>Chief Financial Officer &amp; Secretary</i></p> <p>46C, J.L.Nehru Road Kolkata – 700 071 29th May, 2013</p>