

ASAL
AUTOMOTIVE STAMPINGS AND ASSEMBLIES LIMITED
POSTAL BALLOT NOTICE
(Pursuant to Section 192A of the Companies Act, 1956)

Dear Member(s),

NOTICE is hereby given that pursuant to section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2001, approval of the Members of the Company is sought by way of Postal Ballot in accordance with the provisions of Section 269 of the Companies Act, 1956 in respect of the following business:

1. Appointment of Mr. Neeraj Kumar as a Manager

To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 198 and 269 read with and in accordance with the requirements of Schedule XIII and the other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government, if required, the approval of the Members be and is hereby accorded to the appointment and remuneration of Mr. Neeraj Kumar as a “Manager” u/s 269 of the Companies Act, 1956, designated as the ‘Chief Executive Officer’ of the Company (hereinafter referred to as ‘the appointee’) for a period commencing from December 11, 2011 to December 10, 2014 upon the terms and conditions as set out below and also in the Agreement being entered into in this behalf with him, with liberty to the Board of Directors and / or the Remuneration Committee to alter and vary the terms and conditions of the said appointment and/or the Agreement in such manner as may be agreed to between the Directors and the appointee:-

i. Remuneration:

- a. Salary:** In the scale of Rs. 1,00,000/- to Rs. 1,75,000/- per month with authority to the Board and/or Remuneration Committee to fix his salary within the above scale from time to time. Present salary being Rs. 1,04,000/- per month. The increments may be decided by the Board and/or Remuneration Committee from time to time subject however, to an amount not exceeding Rs. 1,75,000/- per month.
- b. Incentive Remuneration:** Upto 200% of salary to be paid at the discretion of the Board and/or Remuneration Committee and based on certain performance criteria.
- c. Perquisites and allowances:** The appointee will be entitled to the perquisites and allowances as per the Company Rules in addition to the salary and incentive remuneration. Such perquisites and allowances will be subject to a maximum of 175% of his annual salary earned in a financial year under the following criteria:
 - In arriving at the value of the perquisites insofar as there exists a provision for valuation of perquisites under the Income Tax Rules, the value shall be determined on the basis of Income Tax Rules in force from time to time.

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- Use of Company's car for official duties and telephone at residence shall not be included in the computation of perquisites and allowances for the purpose of calculating the said ceiling.
- Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, to the extent these either singly or together are not taxable under the Income-tax Act, Gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

ii. Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the appointee, the Company has no profit or its profits are inadequate, the Company will pay remuneration for a period not exceeding 3 years to the appointee by way of salary, incentive remuneration, perquisites and allowances not exceeding the limits stipulated hereinabove.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary or desirable to give effect to this resolution."

BY ORDER OF THE BOARD
for Automotive Stampings and Assemblies Limited

Shailendra Dindore
Secretary

Pune, December 8, 2011

Registered Office:
G-71/2, M.I.D.C. Industrial Area,
Bhosari, Pune 411026
Maharashtra, India
Tel: 020 – 66314322

NOTES:

1. The Explanatory Statement pertaining to the said resolution (Item no. 1) setting out all material facts and the reasons therefor is annexed hereto for the consideration of the Members.
2. The Board of Directors of the Company has appointed Mr. S. V. Deulkar, Practicing Company Secretary, to act as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.
3. The Postal Ballot Form together with the self-addressed business reply envelope is enclosed for use by the Members.
4. You are requested to carefully read the instructions printed overleaf the Postal Ballot Form and return the Form duly completed with the assent (for) or dissent

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(against), in the enclosed self addressed postage pre-paid envelope, so as to reach the Scrutinizer on or before the close of working hours on **Thursday, January 19, 2012** to be eligible for being considered.

5. The Scrutinizer will submit his report to the Director of the Company after completion of the scrutiny of the Postal Ballot Forms. The result of the voting by Postal Ballot shall be announced by a Director of the Company on Saturday, January 21, 2012 at 2.30 p.m. at the Registered Office of the Company. The result of Postal Ballot shall also be published in newspaper advertisement.

ANNEXURE TO NOTICE

(Explanatory Statement pursuant to section 173 (2) of the Companies Act, 1956)

Item No. 1

Mr. Neeraj Kumar has been working with the Company as the Senior Vice President since October 14, 2011.

The Board of Directors of the Company appointed Mr. Neeraj Kumar as a "Manager" under Section 269 of the Companies Act, 1956, designated as the 'Chief Executive Officer' of the Company, for a period of 3 years from December 11, 2011 to December 10, 2014.

The Remuneration Committee of the Board has on December 08, 2011 approved the remuneration payable to him.

The appointment and the remuneration payable to him are subject to the approval of the Members.

Schedule XIII of the Act, fixes the limits for payment of managerial remuneration by companies in case of loss or inadequacy of profits in any financial year and *inter alia*, requires Members' approval for payment of managerial remuneration to the managerial person for a period not exceeding 3 years by way of a Special Resolution.

Besides the terms and conditions for payment of managerial remuneration as contained in the proposed resolution, the other main terms and conditions, contained in the agreement being entered into in this behalf with the appointee are as given below:

1. The terms and conditions of the said agreement and / or appointment may be revised, enhanced, altered and varied from time to time by the Board of Directors of the Company and/or Remuneration Committee in such manner as may be agreed to between the Board and the appointee within the maximum amounts payable to managerial person in accordance with the provisions of the Companies Act, 1956 or any amendments or re-enactments thereof made hereafter in this regard or as sanctioned by the Central Government, as the case may be.
2. The appointee is subject to the supervision and control of the Board of Directors, entrusted with substantial powers of management and shall also perform such other duties as may from time to time be entrusted to him.

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3. The appointee shall not, either before or after the termination of this Agreement, disclose to any person whatsoever, any information relating to the Company or its customers or any trade secret of which he may come to know while acting as the Manager.
4. The appointee shall not be entitled to supplement his earnings under the Agreement with any buying or selling commission. He shall also not become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company, without the prior approval of the Central Government.
5. If at any time, the appointee ceases to be in the employment of the Company for any cause whatsoever, he shall cease to be the Manager of the Company and this agreement will forthwith terminate.
6. In case the appointee dies in the course of his employment, the Company shall pay to his legal personal representative the salary and current emoluments for the then current month.
7. The appointee shall not have the following powers :-
 - (i) The power to make calls on shareholders in respect of money unpaid on their shares in the Company.
 - (ii) The power to issue debentures.
 - (iii) The power to invest the funds of the Company in shares, stocks and securities.
8. The agreement may be terminated by either party by giving three months' notice of such termination or paying three months' salary in lieu thereof.

In compliance with the provisions of Section 269, 309 read with Schedule XIII of the Companies Act, 1956 and other applicable provisions thereof, the appointment upon the terms and conditions specified above is now being placed before the Members for their approval.

The Agreement between the Company and the appointee is available for inspection by any Member at the Registered Office of the Company between 10 a. m. and 12 noon on any working day of the Company.

The Board recommends the adoption of the Resolution of the Notice.

None of the Directors of the Company is interested in the said Resolution.

Additional Information relevant to the said appointment of Manager as per Schedule XIII Part II Section II 1 (B)

I. General Information:

- (i) *Nature of Industry:* The Company is manufacturer of sheet metal components, assemblies and sub-assemblies for the automotive industry.
- (ii) *Date or expected date of commencement of commercial production:* The Company was incorporated on 13th March, 1990. The existing plants of the Company at Pune and Halol are in Commercial Production for more than

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last 14 years. The Plant at Pantnagar in Uttarakhand has been operational since last 3 years.

- (iii) *In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:* Not applicable.
- (iv) *Financial performance based on given indicators* - as per published audited financial results for the accounting year ended March 31, 2011:

Particulars	(Rs. in '000)
Turnover & Other Income	5,319,004
Net Profit as per Profit & Loss Account (After Tax)	101,723
Profit as computed under Section 309 (5) read with Section 198 of the Companies Act, 1956	156,419
Net Worth	562,650

- (v) *Export performance and foreign exchange earned for the financial year ended March 31, 2011:* The exports on F.O.B. basis for the year 2010-11 were Rs. 13,390 thousand.
- (vi) *Foreign Investments or collaborators, if any:* Not applicable

II. Information about the appointee:

- (i) *Background details:*

Mr. Neeraj Kumar is a B. Tech. (Mech.) from Harcourt Butler Technological Institute, Kanpur. He also holds an Advanced Diploma in Management from Indira Gandhi National Open University (IGNOU), New Delhi.

His work experience includes a rich diversity of assignments at Samtel Color Limited, Thomson Guangdong Display China, Alembic Glass and JCT Electronics Limited. He has a total work experience of 24 years in Operations, Technology & Project Management, Supply Chain Management, Sales & Marketing and General Management.

- (ii) *Past Remuneration drawn:*

Particulars	Amount (Rs. in '000)
Annualized salary including Retirement Benefits in the form of contributions to Provident Fund and Superannuation Fund (Based on the last drawn salary from the previous employer)	35.60

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(iii) *Recognition & Awards / Achievements:*

Mr. Neeraj Kumar had excellent academics at Butler Technological Institute (HBTI), Kanpur. He secured first division with Distinction in B. Tech. (Mech.). His experience includes the role of a facilitator for ISO: 9000, Six Sigma and Lean Manufacturing. He implemented modern shop floor management practices such as TPM / Kaizen / QC / 5S techniques. Further, he spearheaded value engineering & other improvement initiatives in processes.

(iv) *Job Profile and suitability:*

Mr. Neeraj Kumar is responsible for overall management of the Company, subject to the supervision and control of the Board of Directors. He is also responsible to perform such other duties as may from time to time be entrusted by the Board. Taking into consideration the qualifications and expertise, he is best suited for the responsibilities assigned to him by the Board of Directors.

(v) *Remuneration proposed:*

Salary	In the range of Rs.1,00,000/- to Rs.1,75,000/- per month. Present salary being Rs. 1,04,000/- per month.
Incentive Remuneration	Upto 200% of salary to be paid at the discretion of the Board and/or Remuneration Committee.
Perquisites & Allowance #	Upto 175% of salary.
Minimum Remuneration in case of inadequacy of profits during any financial year	Salary, incentive remuneration and perquisites & allowances as mentioned above.

The increments may be decided by the Board and /or Remuneration Committee from time to time subject however to the salary not exceeding Rs. 1,75,000/- per month.

Excludes Company's contribution to provident, superannuation and gratuity funds and leave encashment.

(vi) *Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):* Taking into consideration the size of the Company, the profile of the appointee, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level appointees in other companies.

(vii) *Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:* Besides the remuneration proposed, the appointee does not have any other pecuniary relationship with the Company.

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III. Other Information:

(i) Reasons for inadequate profits:

The Company earned Profit after tax of Rs. 10.17 Crore as against Profit after tax of Rs. 5.15 Crore in previous year.

The business environment has been increasingly challenging and margins continue to remain under pressure. The auto component industry foresees rising costs of inputs, labour and power to be the key challenges in the Financial Year 2011-12. To counter these key challenges, cost control and risk management have emerged as the key strategic focus areas for auto-component companies for the Financial Year 2011-12.

(ii) Steps taken by the Company to improve performance:

To address these challenges, the Company has initiated several measures towards achieving organisational and operating efficiencies and strengthening core competencies, alongside working on improvements in processes and controls. These cut across manufacturing, supply chain, quality and other domains, and address issues of cost controls, value analysis and value engineering.

(iii) Expected increase in productivity and profits in measurable terms:

The above measures undertaken are expected to yield positive results in the coming years. While it is difficult to give precise figures, the above initiatives are expected to improve the financial performance of the Company.

BY ORDER OF THE BOARD
for Automotive Stampings and Assemblies Limited

Shailendra Dindore
Secretary

Pune, December 8, 2011

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