

To The Members,
Shivam Autotech Limited

Sub: Abstract and Memorandum under Section 302 of the Companies Act, 1956

A. Appointment of Mrs. Charu Munjal as Whole Time Director of the Company

The Board of Directors of the Company, at their Meeting held on May 28, 2013, on the recommendations of the Remuneration Committee and subject to the approval of the Members in the General Meeting, have approved and appointed Mrs. Charu Munjal as Whole Time Director designated as "Executive Director" of the Company for a period of 5 (Five) years with effect from June 01, 2013.

In compliance with the requirements of Section 302 of the Companies Act, 1956, an abstract of the terms of appointment and remuneration payable to Mrs. Charu Munjal, Executive Director as per the Board Resolution and the Memorandum of Concern or Interest of the Directors, are furnished herein below:

TERMS OF APPOINTMENT

- a) Designation – Whole Time Director designated as Executive Director
- b) Tenure – 1st June, 2013 to 31st May, 2018
- c) Remuneration:

A) Basic Salary: Rs. 167,000/- (Rupees One Lakh Sixty Seven Thousand only) per month.

B) Commission: She will also be entitled to commission in addition to Basic Salary, Perquisites and any other Allowances, benefits or amenities, subject to the condition that the amount of commission shall not exceed 1.00% of the Net Profit of the Company in a particular financial year as computed in the manner referred to in Section 198 of the Companies Act, 1956.

C) Perquisites and Allowances: In addition to the above Basic Salary and Commission, She shall be entitled to the following monthly perquisites and allowances:

I. Allowances

• House Rent Allowance	60%
• Electricity Allowance	10%
• Professional Development Allowance	10%
• Child Education Allowance	5%
• Furnishing Allowance	5%

II. Perquisites: The Executive Director shall also be entitled to the following perquisites:

- i. **Club Fees:** Reimbursement of Actual Fees of Clubs.
- ii. **Personal Accident Insurance:** Actual premium to be paid by the Company.
- iii. **Medical Reimbursement:** Reimbursement of actual medical insurance premium and medical expenses incurred by her and her family.
- iv. **Insurance of Household goods:** Actual premium to be paid by the Company.
- v. **Car:** Facility of cars with drivers to be used for the business of the Company shall not be included in the computation of the ceiling of perquisites.
- vi. **Telephone:** Free telephone facility at residence including Mobile Phone to be used for the business of the Company shall not be included in the computation of the ceiling of perquisites.

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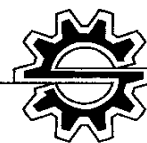
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- vii. **Leave:** One month's leave with full salary for every 11 months of service subject to the condition that leave accumulated but not availed will be encashed.
- viii. **Reimbursement of expenses:** Reimbursement of entertainment, travelling, hotel and other expenses actually and properly incurred by her in India and abroad for the business of the Company.
- ix. **Contribution to Provident Fund, Super Annuation or Annuity Fund etc.:** Company's Contribution to Provident Fund, Super Annuation or Annuity Fund etc. will be as per policy/rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act.
- x. **Gratuity:** Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- xi. **Leave Travel Concession:** For the Executive Director and her family once in a year incurred in accordance with the policy/rules of the Company.
- xii. **Other allowances:** As may be applicable from time to time as per policy/rules of the Company.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual cost.

For the aforesaid purpose "Family" means the dependent children and dependent parents of the Executive Director.

D. Minimum Remuneration: In any financial year during the currency of tenure of the Executive Director, the Company has no profits or its profits are inadequate, the minimum remuneration payable to the Executive Director shall be substantive salary and perquisites as above mentioned, subject to the ceiling set out under Section II of Part II of Schedule XIII to the Companies Act, 1956.

Provided further that the following perquisites which are also allowed to the Executive Director shall not be included in the computation of ceiling as specified in (D) above:

- (i) Contribution to Provident Fund, Super Annuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under Income Tax Act, 1961; and
- (ii) Gratuity payable at a rate not exceeding half month' salary for each completed year of service.

Other Terms and Conditions:

- a) Mrs. Charu Munjal, shall not be liable to retire by rotation whilst she continues to hold office of Executive Director.
- b) Mrs. Charu Munjal, shall keep strictly confidential all Confidential Information of the Company solely for the Company purposes during the term of the appointment and thereafter.
- c) The Company or Mrs. Charu Munjal, ED shall be entitled to terminate the appointment, by giving to the other party 3 months notice in writing.
- d) The terms and conditions of the said appointment may be altered/amended from time to time by the Board of Directors or Committee thereof in consultation with Mrs. Charu Munjal, ED, as may be permissible under the Companies Act, 1956.

MEMORANDUM OF CONCERN OR INTEREST

Except Mrs. Charu Munjal herself, Executive Director of the Company who is concerned/interested to the extent of remuneration payable to her, and Mr. Neeraj Munjal, Managing Director of the Company & related to Mrs. Charu Munjal, none of the other directors of the Company is, in any way, concerned/ interested in the aforesaid appointment and the remuneration payable.

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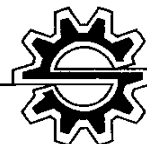
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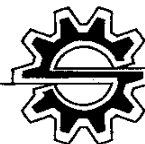
B. Variation in the Terms and Conditions of Appointment of Managing Director

The Board of Directors of the Company, at their Meeting held on May 28, 2013, on the recommendations of the Remuneration Committee and subject to the approval of the Members in the General Meeting, has approved the variation in terms of remuneration of the Managing Director with effect from April 1, 2013 for the remaining period of his tenure;

In compliance with the requirements of Section 302 of the Companies Act, 1956, an abstract of the terms of remuneration payable to Mr. Neeraj Munjal, Managing Director as per the Board Resolution and the Memorandum of Concern or Interest of the Directors, are furnished herein below:

- A) Basic Salary:** Rs. 510,000/- (Rupees Five Lakhs Ten Thousand only) per month.
- B) Commission:** He will also be entitled to commission in addition to Basic Salary, Perquisites and any other Allowances, benefits or amenities subject to the condition that the amount of commission shall not exceed 2.00% of the Net Profit of the Company in a particular financial year as computed in the manner referred to in Section 198 of the Companies Act, 1956.
- C) Perquisites and Allowances:** In addition to the above Basic Salary and Commission, he shall be entitled to the following monthly perquisites and allowances:
- a) Allowances**
- | | |
|--------------------------------------|-----|
| • House Rent Allowance | 70% |
| • Electricity Allowance | 10% |
| • Professional Development Allowance | 10% |
| • Child Education Allowance | 5% |
| • Furnishing Allowance | 5% |
- b) Perquisites:** The Managing Director shall also be entitled to the following perquisites:
- Club Fees:** Reimbursement of Actual Fees of Clubs.
 - Personal Accident Insurance:** Actual premium to be paid by the Company.
 - Medical Reimbursement:** Reimbursement of actual medical insurance premium and medical expenses incurred by him and his family.
 - Insurance of Household goods:** Actual premium to be paid by the Company.
 - Car:** Facility of cars with drivers to be used for the business of the Company shall not be included in the computation of the ceiling of perquisites.
 - Telephone:** Free telephone facility at residence including Mobile Phone to be used for the business of the Company shall not be included in the computation of the ceiling of perquisites.
 - Leave:** One month's leave with full salary for every 11 months of service subject to the condition that leave accumulated but not availed will be encashed.
 - Reimbursement of expenses:** Reimbursement of entertainment, travelling, hotel and other expenses actually and properly incurred by him in India and abroad for the business of the Company.
 - Contribution to Provident Fund, Super Annuation or Annuity Fund etc.:** Company's Contribution to Provident Fund, Super Annuation or Annuity Fund etc. will be as per policy/rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act.
 - Gratuity:** Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
 - Leave Travel Concession:** For the Managing Director and his family once in a year incurred in accordance with the policy/rules of the Company.





- xii. **Spouse Traveling Expenses:** Such traveling expenses of the spouse as may be required in connection with the business of the Company.
- xiii. **Other allowances:** As may be applicable from time to time as per policy/rules of the Company.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual cost.

For the aforesaid purpose "Family" means the dependent children and dependent parents of the Managing Director.

D. Minimum Remuneration: In any financial year during the currency of tenure of the Managing Director, the Company has no profits or its profits are inadequate, the minimum remuneration payable to the Managing Director shall be substantive salary and perquisites as above mentioned, subject to the ceiling set out under Section II of Part II of Schedule XIII to the Companies Act, 1956.

Provided further that the following perquisites which are also allowed to the Managing Director shall not be included in the computation of ceiling as specified in (D) above:

- (i) Contribution to Provident Fund, Super Annuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under Income Tax Act, 1961; and
- (ii) Gratuity payable at a rate not exceeding half month' salary for each completed year of service.

MEMORANDUM OF INTEREST/ CONCERN:

Except Mr. Neeraj Munjal himself, Managing Director of the Company who is concerned/interested to the extent remuneration payable to him, and Mrs. Charu Munjal, Whole Time Director and related to Mr. Neeraj Munjal, none of the other directors of the Company is, in any way, concerned/ interested in the aforesaid appointment and the remuneration payable.

May 28, 2013
New Delhi

By order of the Board
For **Shivam Autotech Limited**

Company Secretary

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