



ESCORTS LIMITED

Registered Office: SCO-232, First Floor, Sector-20, Panchkula-134109

NOTICE

Notice is hereby given that 65th Annual General Meeting of **ESCORTS LIMITED** will be held at Hotel KC Cross Road, Site No. 1, Sector- 10, Opp. Bus stand, Panchkula - 134113 (Haryana) at 11 a.m. on Friday, 25th February, 2011, to transact the following business:-

A. ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 30th September, 2010, the Profit and Loss Account for the year ended on that date and the Reports of the Auditors and Directors thereon.
2. To declare Dividend for the financial year ended 30th September, 2010.
3. To appoint a Director in place of Dr. P.S. Pritam, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. S. N. Dhawan & Co, Chartered Accountants, as Statutory Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

B. SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to Sections 198, 309, 310, 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act") the consent of the Company be and is hereby accorded for payment of revised/enhanced remuneration to Mr. Nikhil Nanda, Joint Managing Director of the Company w.e.f. 1st April, 2010, as per details set out herein below:

- (A) Basic Salary:** Rs. 10,00,000/- per month in the scale of Rs.10,00,000/- per month to Rs.30,00,000/- per month with such increments as may be decided by the Board of Directors (Hereinafter referred to as "the Board" which term include "Remuneration Committee" thereof) from time to time.

- (B) Perquisites, allowances, retiral & other benefits, reimbursements and Earned Leave:** As per Company's policy or as may be approved by the Board, not exceeding 200% of the Basic Salary

(C) Performance Linked Bonus / Commission

Such amount or percentage of the net profits of the Company calculated under Sections 198 and 309 of the Act, as may be decided by the Board.

(D) Sitting fees

The Joint Managing Director, so long as he functions as such, shall not be paid any sitting fee for attending meetings of the Board of Directors or any Committee(s) thereof.

(E) Termination

The appointment of Joint Managing Director may be terminated by either party giving to the other six calendar months notice in writing.

In the event of termination of appointment of Joint Managing Director by the Company, he shall be entitled to receive compensation in accordance with provisions of Section 318 of the Act.

(F) Ceiling on Remuneration

The aggregate remuneration shall not exceed the limits provided in Sections 198 and 309 of the Act.

Pursuant to paragraph (C) of Section II of Part II of the Schedule XIII and other applicable provisions of the Act, if any, and subject to such approvals as may be necessary, wherein in any financial year during the tenure of his service, the Company has no profits or its profits are inadequate, the Company may pay to Mr. Nikhil Nanda, Joint Managing Director, remuneration by way of salary, perquisites and other terms as specified supra, as minimum remuneration.

Resolved further that the Board be and are hereby authorised to fix, increase, vary,



ESCORTS LIMITED

Registered Office: SCO-335, First Floor, Sector-30, Panchsukh-134109

NOTICE

reduce or amend the remuneration including minimum remuneration and other terms of his appointment from time to time, as deemed expedient or necessary during the tenure of his appointment or as may be prescribed by the authorities giving any sanction or approval and the Board be also authorized to sub delegate the above powers to any person as it may deem fit and to take such steps as may be necessary, desirable or expedient to give effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 309(3), 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act"), or any statutory modification(s) or re-enactment thereof, if any, the terms and conditions of remuneration paid / payable to Mr. Rajan Nanda, Chairman & Managing Director (CMD) of the Company as approved by the shareholders vide Special Resolution No.3 passed through Postal Ballot on 9th March, 2009 be and are hereby revised to include the following:

A new Clause 'C' be added after the existing Clause 'B' of above Special Resolution:

C) Performance Linked Bonus / Commission

Such amount or percentage of the net profits of the Company calculated under Sections 198 and 309 of the Act, as may be decided by the Board.

Existing Clauses 'C' - "Sitting Fees", 'D' - "Termination" and 'E' - "Ceiling on Remuneration" of the above Special Resolution be renumbered / re-classified to read as Clauses 'D', 'E' and 'F', respectively:

RESOLVED FURTHER that all other terms & conditions and remuneration of Mr. Rajan Nanda shall remain the same.

RESOLVED FURTHER that the Board be and is hereby authorized to take all such steps as may be necessary, desirable or expedient to give effect to this resolution."

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

"RESOLVED THAT subject to the approval of Central Government pursuant to the provisions of Section

314 (1B) and other applicable provisions, if any, of the Companies Act, 1956, consent be and is hereby accorded to the Board of Directors to pay the revised/enhanced remuneration to Ms. Nitasha Nanda w.e.f. 1st October, 2010, on the following terms & conditions:

- 1) Basic Salary of Rs.2,50,000/- per month (in the grade of Rs.2,50,000 - Rs.50,000 - Rs.5,00,000 per month) with power to the Board of Directors to sanction at their discretion, increments as they may deem fit from time to time;
- 2) Allowances, benefits and perquisites as per the policy applicable for the employees of the Company in the grade of Vice President or such higher grade to which she may be promoted from time to time."

RESOLVED FURTHER that the Board of Directors be and are hereby authorised to fix, increase, vary, reduce or amend the remuneration and other terms of her appointment from time to time, as deemed expedient or necessary during the tenure of her appointment or as may be prescribed by the authorities giving any sanction or approval and the Board be also authorized to sub delegate the above powers to any person as it may deem fit and to take such steps as may be necessary, desirable or expedient to give effect to this resolution."

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS BEHALF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY MAY BE SENT IN THE FORM ENCLOSED AND IN ORDER TO BE EFFECTIVE MUST REACH EITHER AT THE REGISTERED OFFICE OF THE COMPANY OR AT CORPORATE SECRETARIAT & LAW, ATLEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of resolutions set out under items no. 5, 6 & 7 is annexed hereto.
3. A copy of the Annual Report containing Balance Sheet as at September 30, 2010 and the Profit and Loss Account for the year ended on that date together with the Auditors' and Directors' Reports thereon are enclosed. Members are, however, requested to bring their copies of Annual Report to the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 14th February,

2011 to 25th February, 2011 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend for the year 2009-2010, if any, declared at the Annual General Meeting.

5. Dividend, if approved by the shareholders at the Annual General Meeting, will be paid/dispatched to those members whose names appear in the Register of Members of the Company as on the last date of Book Closure fixed for this purpose, and in respect of shares held in Demat form, the dividend will be paid/dispatched on the basis of beneficial ownership as per details furnished by the Depositories for this purpose as on the last date of Book Closure, by 26th March, 2010.
6. Your Company is also extending the facility of National Electronic Clearing Services (NECS) for the payment of dividend amount directly into Bank account of the Shareholders as on Book Closure date. In case you wish to avail of this facility, please send NECS mandate Form to your Depository Participant if share holding is in demat form otherwise send NECS/ Bank Mandate Form so as to reach the Company on or before 25th February, 2011 (available on Company's website) to **Corporate Secretariat & Law** Department of Escorts Limited at 15/5, Mathura Road, Faridabad-121003.
7. As per the Income Tax Act, 1961, dividend is not taxable in the hands of shareholders.
8. In terms of the provisions of Section 205A of the Companies Act, 1956, the unclaimed Equity Dividends for the financial year(s) upto 1995-96 have already been transferred to the General Revenue Account of the Central Government. Those shareholders who have so far not claimed or collected their dividend for the said financial year(s), may claim the same by submitting an application in the prescribed Form II to the Registrar of Companies, NCT of Delhi and Haryana, 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi - 110019.
9. Members are hereby informed that unclaimed dividend for the financial year(s) from 1996-97 to 2002-2003 have already been deposited by the Company to Investor Education & Protection Fund (IEPF) constituted by the Central Government under Section 205C of the Companies Act, 1956. Further, under the amended provisions of Section 205B of the Companies Act, 1956, no claim shall lie for the unclaimed dividend from IEPF by the shareholders.
10. Section 109A of the Companies Act, 1956 has extended nomination facility to individuals holding

shares in physical form. Shareholders, in particular those holding shares in single name, are requested to avail the above facility by furnishing to the Company the particulars of their nominations. Shareholders may write to the **Corporate Secretariat & Law** for the prescribed **Nomination Form 2B**. The form can be downloaded from the company's website www.escortsgroup.com.

11. Member(s) of the Company who have multiple accounts in identical name(s) or are holding more than one Share Certificate in the same name under different Ledger Folio(s) are requested to apply for consolidation of such folio(s) and send the relevant Share Certificates to Corporate Secretariat & Law.
12. In terms of Notification issued by Securities and Exchange Board of India (SEBI), Equity Shares of the Company are under compulsory demat trading by all investors, with effect from 31st May, 1999. Shareholders are, therefore, advised to dematerialize their shareholding to avoid inconvenience in future.
13. Pursuant to requirements of listing agreement with the stock exchanges on Corporate Governance the information required to be given in case of appointment of new Director or re-appointment of a Director, is given in Corporate Governance Report forming part of the Annual Report.
14. Please send all correspondence including requests for transfer / transmission of shares, change of address, Dividend & Interest etc. to Escorts Limited, **Corporate Secretariat & Law**, 15/5, Mathura Road, Faridabad - 121003, Phone: (0129) 2250222; Fax: (0129) 2250060.

By Order of the Board,
For **ESCORTS LIMITED**

Sd/-

(**G. B. Mathur**)

Executive Vice President – Law &
Company Secretary

Place: Faridabad

Date : 29th November, 2010

**ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT (PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956)**

ITEM NO. 5

Mr. Nikhil Nanda is presently working as Joint Managing Director (JMD) of the Company. As JMD he is responsible for business diversification, business process re-engineering, organizational development in the Company.

He has been significantly contributing to the overall growth of the Company. In recognition of his valuable contribution, the Remuneration Committee and the Board of Directors at their meetings held separately on 22nd April, 2010 have recommended the payment of revised/ enhanced remuneration to Mr. Nikhil Nanda as set out in the Draft Resolution. The payment of said remuneration is within the limits prescribed under Section I, Part II of Schedule XIII to the Companies Act, 1956 and is subject to the approval of the shareholders by means of a Special Resolution.

Mr. Nikhil Nanda is directly interested in the resolution. Mr. Rajan Nanda being a relative of Mr. Nikhil Nanda may also be deemed to be interested in the resolution.

The Board recommends the resolution for approval. This may also be treated as the abstract of terms and memorandum under Section 302(7) of the Companies Act, 1956.

ITEM NO. 6

Mr. Rajan Nanda is working as Managing Director since April, 1985 and as Chairman & Managing Director of the Company since March, 1994. He was re-appointed from time to time as Chairman & Managing Director of the Company. His current tenure as Managing Director began on 1st April, 2010 and will expire on 31st March, 2015. In terms of Schedule XIII of the Companies Act, 1956 the shareholders of the Company have approved the payment of remuneration to him for the first three years of his tenure i.e. upto 31st March, 2013.

He has been spending considerable time and effort in discharging his responsibilities and also contributing to the overall performance and growth of the Company. In view of this it is now proposed to pay him specified percentage of the net profits of the Company calculated under Section 198 of the Companies Act, 1956 as performance linked bonus / commission. The Remuneration Committee and Board of Directors at their meetings held on 28th November, 2010 and 29th November, 2010, respectively, have recommended the payment of commission to Mr. Rajan Nanda as set out in the Draft Resolution. The payment of said commission is within the limits prescribed under Section 309(3) and Section I, Part II of Schedule XIII to the Companies Act, 1956 and is subject to the approval of the shareholders by means of a Special Resolution.

Mr. Rajan Nanda is directly interested in the resolution. Mr. Nikhil Nanda being a relative of Mr. Rajan Nanda may also be deemed to be interested in the resolution.

The Board recommend the resolution for approval of the members. This may also be treated as the abstract of terms and memorandum under Section 302(7) of the Companies Act, 1956.

ITEM NO. 7

Ms. Nitasha Nanda is a Commerce Graduate from Delhi University. She had undergone intensive training with A F Ferguson & Co., Grindlays Bank, National Insurance Company

and other organizations in the area of Business Strategies, International Operations, Operational Research, Managerial Techniques etc. Ms. Nitasha Nanda has acquired extensive experience in the fields of Finance and Portfolio Investments, Risk Management, Equity Research and Investment Advisory Services and has nearly 20 years of experience in these areas.

Ms. Nitasha Nanda has been associated with the Company since 1997. She is presently working as Vice President (Group Investment Companies) of the Company. Her key responsibility is to maximize the return on the investments made by your company in various investment companies by:

1. Appraisal of existing and new business activities proposed by these companies.
2. Reviewing the performance of these companies.
3. Reducing portfolio and operational risk etc.

Ms. Nitasha Nanda is now drawing a salary of Rs.2,50,000 per month in the scale of Rs.1,00,000 - Rs.25,000 - Rs.2,50,000; plus allowances, perquisites and benefits, as approved by the shareholders at the Annual General Meeting held on 29th September, 2001 and as per the Central Govt. approval dated 18th September, 2002, further amended vide letters dated 14th February, 2003 and 16th December, 2004. In view of the significant contribution made by her in the areas being looked after by her, the Board has proposed to pay her the revised/ enhanced salary in the grade of Rs. 2,50,000 - Rs.50,000 - Rs. 5,00,000 per month) plus allowances, benefits and perquisites as per the policy applicable for the employees of the Company in the grade of Vice President or such higher grade to which she may be promoted from time to time, subject to approval of members and Central Government.

This resolution seeks your approval for the revision of her remuneration w.e.f. 1st October, 2010 as stated therein.

Since, Ms. Nitasha Nanda is relative of Mr. Rajan Nanda, Chairman & Managing Director and Mr. Nikhil Nanda, Joint Managing Director and the above remuneration is in excess of the limits prescribed under Section 314(1B) of the Companies Act, 1956, it is proposed to seek your approval by way of a special resolution.

Mr. Rajan Nanda, Chairman and Managing Director and Mr. Nikhil Nanda, Joint Managing Director of the Company, being relatives of Ms. Nitasha Nanda, are interested / concerned in the resolution.

None of other Directors are interested / concerned in the resolution.

The Board commends the resolution for approval.

By Order of the Board,
For **ESCORTS LIMITED**

Sd/-

(G. B. Mathur)

Place: Faridabad

Executive Vice President -

Date: 29th November, 2010

Law & Company Secretary