



ESCORTS LIMITED

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

NOTICE

Notice is hereby given that 66th Annual General Meeting of **ESCORTS LIMITED** will be held at Hotel K.C. Cross Road, Site No. 1, Sector- 10, Opposite Bus Stand, Panchkula - 134113 (Haryana) at 11.00 A.M on Thursday, 15th March, 2012, to transact the following business:-

A. ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 30th September, 2011, 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, 2011.
3. To appoint a Director in place of Dr. M G K. Menon, 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 (Firm Registration No.000050N) 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 Ordinary Resolution:

"RESOLVED THAT Mr. Hardeep Singh be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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 Section 31 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) the Articles of Association of the Company be and are hereby altered/amended by substitution and/or addition and/or deletion as the case may be in the following manner:

- (i) Existing words and/or numbers 2A Deleted as appearing at the end of Article 2 be deleted.
- (ii) Existing Article(s) 4A to 15 be re-numbered as Article(s) 5 to 16.
- (iii) Following Article 17 be inserted after Article 16:

Article 17: ADR/GDR/FCCBS and other Securities:

The Company shall, subject to the provision of the Act, compliance with all applicable laws, rules and regulations and consent of the Board, have power to issue ADRs, GDRs, FCCBs and any other security, on such terms and conditions and in such manner as the Board may deems fit, including their conversion and repayment. Such term(s) may include at the discretion of the Board, limitations on voting by holders of ADRs or GDRs, in accordance with the directions of the Board.

- (iv) Existing Article(s) 16 to 23 be re-numbered as Article(s) 18 to 25.

- (v) Following Article 26 and 27 be inserted after the Article 25:

Article 26: Purchase of it's own Securities:	Notwithstanding anything contained in these Articles but subject to the provisions of Section 77A, 77B and any other applicable provisions of the Act, Securities and Exchange Board of India (SEBI) Guidelines, Rules, Regulations and any other law for the time being in force, the Company may purchase its own shares or other specified securities.
Article 27: Sweat Equity Shares:	Notwithstanding anything contained in these Articles, subject to the provisions of Section 79A and any other applicable provisions of the Act and/or any law for the time being in force, the Board of Directors may from time to time issue Sweat Equity Shares.

- (vi) Existing Article 24 be re-numbered as Article 28 and substituted with the following Article.

Article 28: Funds of the Company may not be applied in purchase of shares of the Company.	Except as provided in the Articles and save as provided in Section 77, 77A or any other applicable provision of the Act, none of the funds of the Company shall be applied in the purchase of any shares of the Company, and it shall not give any financial assistance for or in connection with the purchase or subscription of any shares in the Company or in its holding Company.
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- (vii) Existing Article(s) 24A to 72 be re-numbered as Article(s) 29 to 86.

- (viii) The new Article 86 be amended in the following manner:

The word 'Delhi' as appearing in the 11th line of Article 86 of Article of Association be replaced by the words "the city where the Registered Office of the Company is situated".

In the Second last line, the words "Delhi" be deleted after the words "Registrar of Companies".

- (ix) Following Article 87 be inserted after Article 86.

Article 87: Participation by shareholders in the General meeting through Electronic Mode	Subject to the provision of the Act and any other Law, any Notification, Circular issued by the Central Government or any other Government authority/department, the shareholder(s) of the Company may participate in the General meeting(s) of the Company through Electronic Mode/video conferencing or any other mode permissible from time to time.
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- (x) Existing Article(s) 73 to 106 be re-numbered as Article(s) 88 to 121.

- (xi) The existing Article 107 be re-numbered as Article 122 and be substituted with the following Article.

Article 122: Qualification Shares:	A Director shall not be required to hold any qualification shares.
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- (xii) Existing Article(s) 108 to 126 be re-numbered as Article(s) 123 to 143.

- (xiii) Following Article 144 be inserted after Article 143.

Article 144: Participation by Director in Board/ Committee meeting through Electronic Mode:	Subject to the provision of the Act or any Notification, Circular issued by the Central Government or any other Government authority/department, the Director(s) of the Company may participate in the meeting(s) of the Board/Committee through Electronic Mode/video conferencing or any other mode prescribed by law from time to time.
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- (xiv) Existing Article(s) 127 to 140 be re-numbered as Article(s) 145 to 158

- (xv) Existing words and/or numbers 141 Deleted as appearing at the end of Article 158(22) be deleted.
- (xvi) Existing Article 142 be re-numbered as Article 159.
- (xvii) Existing words and/or numbers 143 Deleted, 144 Deleted, 144A Deleted, 145 Deleted, as appearing at the end of Article 159 be deleted.
- (xviii) Existing Article(s) 145A to 159 be re-numbered as Article(s) 160 to 178.
- (xix) Existing words and/or numbers 160 Deleted as appearing at the end of Article 178 be deleted.
- (xx) Existing Article(s) 161 to 176 be re-numbered as Article(s) 179 to 194.
- (xxi) Following Article 195 be inserted after Article 194.

Article 195 : Service of Document by e-mode:	Subject to the provisions of Section 53 of the Act and any other laws or Notifications, Circulars issued by the Central Government, the Company is authorised, entitled to send various document to the Member through electronic mode.
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- (xxii) Existing Article(s) 177 to 179 be re-numbered as Article(s) 196 to 198.

“RESOLVED FURTHER THAT Board of Directors, be and are hereby authorised to undertake such acts, deeds and matters, as they may in their absolute discretion deem necessary, proper or desirable, including any amendment or modification to the proposed Articles of Association as per the suggestion/direction of the Regulatory Authorities and settle any question, difficulty or doubt that may arise in this regard, including but not limited to making requisite filing with the Registrar of Companies and the stock exchanges, that may be required to give effect to the alteration of the Articles of Association in accordance with the resolution.”

7. 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, 269, 309, 310, 311, 314, 317 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (“the Act”) and subject to such approvals as may be necessary, the consent of the members be and is hereby accorded for re-appointment of Mr. Nikhil Nanda, as Joint Managing Director of the Company for a period of 5 years w.e.f. 19.09.2012 to 18.09.2017 on the following terms and conditions:

(A) Basic Salary:	Rs. 12,00,000/- per month or such amount as may be decided by the Board of Directors (Hereinafter referred to as “the Board” which term include ‘Remuneration Committee’ thereof) in the scale of Rs. 10,00,000/- per month to Rs. 50,00,000/- per month with such increments as may be decided by the Board from time to time.
(B) Perquisites, allowances, retirsals & 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) Commission/Performance Linked Incentive

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) Minimum Remuneration

In the event of inadequacy of profits, he shall be entitled to receive minimum remuneration as provided under Schedule XIII of the Companies Act, 1956.

(E) 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.

(F) 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.

“RESOLVED FURTHER THAT that the Board be and is hereby authorised to fix, increase, vary, 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 authorised 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 (AGM).**
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 are annexed hereto.
3. A copy of the Annual Report containing Balance Sheet as at 30th September, 2011 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. **Green Initiative:** Recently, the Ministry of Corporate Affairs (MCA), Government of India, through its circular no. 17/2011 and 18/2011 dated 21st April, 2011 and 29th April, 2011 respectively, has allowed companies to send documents to the shareholders electronically as part of its green initiatives.

Recognising the spirit of the said circular, we henceforth propose to send documents like the Notice of General Meeting, financial statements, Director Report, Auditors Report etc, to the email address provided by you with your depositories. We request you to update your email address with your depositories participants to ensure that the Annual Report and other documents reach you on preferred email address and the shareholders holding shares in physical mode may update the email address to the Company.

5. The Register of Members and Share Transfer Books of the Company will remain closed from 4th March, 2012 to 15th March, 2012 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend for the year 2010-2011, if any, declared at the Annual General Meeting.
6. Dividend, if declared by the shareholders at the Annual General Meeting, will be paid/dispatched on or before 27th March, 2012 to those members whose names appear in the Register of Members/beneficial ownership as per details furnished by the depositories for this purpose as on the last date of Book Closure.
7. The dividend amount shall be remitted to your banker directly through National Electronic Clearing Services (NECS) for crediting into your Bank account received from your depository participant. In case you have not yet furnished the bank

details please send the same immediately to your depository participant or to us if the shares are held in physical form, so as to reach on or before the date of AGM to **Corporate Secretariat & Law** Department of Escorts Limited at 15/5, Mathura Road, Faridabad-121003.

8. Under the provisions of the Income Tax Act, 1961, dividend amount is tax free in the hands of shareholders.
9. 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.
10. Members are hereby informed that unclaimed dividend for the financial year(s) from 1996-97 to 2002-03 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.
11. Section 109A of the Companies Act, 1956 has extended nomination facility to individual shareholders holding shares in physical form. Shareholders are requested to avail the above facility by submitting prescribed Form 2B to the **Corporate Secretariat & Law**. This form is also available on the company's website www.escortsgroup.com.
12. 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.
13. 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 dematerialise their shareholding to avoid inconvenience in future.
14. 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 Director, is given in Corporate Governance Report forming part of the Annual Report.
15. Please send all correspondence including requests for transfer/transmission of shares, change of address & dividend 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: 28th November, 2011

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT (PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956).

ITEM NO. 5

The Board of Directors had co-opted Mr. Hardeep Singh, as Additional Director on 28th November, 2011. As per Section 260 of the Companies Act, 1956, he holds office upto the date of the ensuing Annual General Meeting.

Notice pursuant to Section 257 of the Companies Act, 1956, proposing his candidature as Director, liable to retire by rotation, has been received.

Particulars of his Qualifications, brief resume, area of expertise and other details are provided in the Corporate Governance Report annexed to the Directors' Report.

None of the Directors' of the Company are interested in this resolution, except Mr. Hardeep Singh.

Your Directors recommend the resolution for your approval as Ordinary Resolution.

ITEM NO. 6

In the recent past the Ministry of Corporate Affairs (MCA) has come out with certain circulars and notifications, wherein the Companies have been permitted to hold the Board Meetings/General Meetings through Video conferences. Besides this the companies have also been authorised to issue communication to its shareholders viz. Notices, Annual Reports, Annual Accounts/Auditors Report through electronic mode, instead in physical form. For the above purpose, the Articles of Association is required to be amended. Further, certain amendments in the Companies Act, 1956, regarding buy back, sweat equity etc needs to be incorporated in the Articles of Association of the Company. In order to streamline the clauses in the Articles of Association, it is also proposed to remove the deleted clauses and re-number the remaining clauses in the Articles.

Pursuant to provision of Section 31 of the Companies Act, 1956, any amendment to the provision of Articles of Association of the Companies requires the approval of the members by way of Special Resolution.

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

Your Directors recommend the resolution for your approval as a Special Resolution.

ITEM NO. 7

Mr. Nikhil Nanda was appointed as Joint Managing Director (JMD) for a period of 5 years w.e.f 19.09.2007. His current tenure as JMD is expiring on 18.09.2012.

Mr. Nikhil Nanda is responsible for business diversification, business process re-engineering, organisational development in the Company and has been significantly contributing to the overall performance and growth of the Company. In recognition of his valuable contribution, the remuneration committee and the Board of Directors at their meetings held separately on 28th November, 2011 have recommended the re – appointment of Mr. Nikhil Nanda as Joint Managing Director of the Company for a further period of 5 years w.e.f 19.09.2012 to 18.09.2017 at a remuneration as given in the Item No. 7.

Particulars of his qualifications, brief resume, area of expertise and other details are provided in the Corporate Governance Report annexed to the Directors' Report.

Mr. Nikhil Nanda is directly interested in the resolution. Mr. Rajan Nanda being relative of Mr. Nikhil Nanda may also be deemed to be interested in the resolution. None of the other Directors are interested in this resolution.

The Board recommends the Special Resolution for the approval of the members. This may also be treated as the abstract of terms and memorandum under Section 302 of the Companies Act, 1956.

INSPECTION OF DOCUMENTS

Copies of the Memorandum and Articles of Association of the Company and all other documents relevant for the resolution contained in their notice will be available for inspection at the Registered Office of the Company from 11.00 a.m. to 1.00 p.m. on all working days up to the date of the AGM.

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

Sd/-

(G. B. Mathur)

Executive Vice President – Law &
Company Secretary

Place: Faridabad
Date: 28th November, 2011