



COMMERCIAL ENGINEERS & BODY BUILDERS CO LIMITED
Regd. Office: 84/105-A, G.T. Road, Kanpur – 208003 (U.P.)
Corporate Office: 124, Napier Town, Jabalpur – 482001 (M.P.)

NOTICE

Notice is hereby given that an Extraordinary General Meeting of the Members of Commercial Engineers & Body Builders Co Limited will be held on **26th November, 2012 at 01:30 P.M. at Merchant's Chamber of Uttar Pradesh at 14/76, Civil Lines, Kanpur** to transact the following business:

(i) Increase in Authorised Share Capital

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 94, 97 of the Companies Act, 1956 and other applicable provisions, if any, of the Act and Article 5 of the Articles of Association of the Company and subject to shareholders' approval, the authorized share capital of the Company be and is hereby increased from Rs. 600,500,000 (Rupees Sixty Crores Five Lakhs Only) divided into 6,00,00,000 (Six Crore) equity shares of Rs. 10 each and 5,000 preference shares of Rs. 100 each to Rs. 750,500,000 (Rupees Seventy Five Crores Five Lakhs Only) divided into 7,50,00,000 (Seven Crore Fifty Lacs) equity shares of Rs. 10 each ranking pari passu in all respect with the existing equity shares and 5,000 preference shares of Rs. 100 each."

"RESOLVED FURTHER THAT Mr. Kailash Gupta, Director, Mr. Ajay Gupta, Director and Mr. Anurag Misra, Company Secretary be and are hereby severally authorized to take all such steps to effect the increase in the authorized share capital of the Company, including without limitation, filing of forms and other documents with the Registrar of Companies."

(ii) Amendment of Memorandum of Association

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

"RESOLVED THAT subject to and in accordance with Section 16, 94, 97 of the Companies Act, 1956 and all other applicable provisions of law and the Articles of Association, in keeping with the requirements of the Companies Act, 1956 for public limited companies, pursuant to an increase in the authorized share capital of the Company, the Memorandum of Association of the Company be altered in the following manner:

Clause V shall be deleted and replaced with the following as Clause V:

"V. The authorized share capital of the Company is Rs. 7505.00 Lacs divided into 7,50, 00,000 Equity Shares of face value of Rs. 10 each and 5,000 Preference Shares of face value of Rs. 100 each."

RESOLVED FURTHER THAT Mr. Kailash Gupta, Director, Mr. Ajay Gupta, Director and Mr. Anurag Misra, Company Secretary be and are hereby severally authorized to take all such steps to effect the alteration of its Memorandum of Association, including, without limitation, filings of forms and other documents with the Registrar of Companies.

(iii) To approve further issue of securities

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 Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof) (the "Act"), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("SEBI ICDR Regulations"), the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, if applicable, and the provisions of the Securities and Exchange Board of India Act, 1992, including the rules, regulations and the guidelines notified thereunder and the circulars issued thereunder, the provisions of the Foreign Exchange Management Act, 1999 (the "FEMA"), the Foreign Exchange Management (Transfer or issue of Security by a Person Resident Outside India) Regulations, 2000 and any other rules, regulations notified under FEMA and circulars issued under FEMA, and subject to any approval, consent, permission and/or sanction, as may be required, from the Foreign Investment Promotion Board, Government of India, Secretariat for Industrial Assistance, Government of India, the Securities and Exchange Board of India (the "SEBI"), the Reserve Bank of India, the stock exchanges, the enabling provisions of the Memorandum of Association and Articles of Association of the Company, the listing agreements entered into by the Company with the stock exchanges on which the Company's equity shares or any other securities are listed, subject to necessary approvals,

permissions, consents and sanctions of other relevant statutory and other authorities, institutions or bodies, including the lenders of the Company, and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any committee thereof), the Board be and is hereby authorized to create, offer, issue and allot equity shares, fully convertible debentures, partly convertible debentures, non convertible debentures with warrants and any other securities, which are convertible into or exchangeable with equity shares on such date as may be determined by the Board, as permitted by SEBI ICDR Regulations (all of which are hereinafter collectively referred to as "Securities") or any combination of Securities, in one or more tranches, to 'Qualified Institutional Buyers' as such term is defined in Regulation 2(1)(zd) of the SEBI ICDR Regulations, as a 'Qualified Institutions Placement' in terms of Chapter VIII of the SEBI ICDR Regulations, whether they be holders of equity shares or other securities of the Company or not, as may be decided by the Board in their discretion and permitted under applicable laws and regulations, of an aggregate amount not exceeding Rs. 150 crores or equivalent thereof, inclusive of such premium as may be fixed on such Securities by offering the Securities through private placement(s) at such time or times, at such price or prices, at a discount or premium to market price or prices, as the Board may determine on the relevant date in accordance with the SEBI ICDR Regulations, in such manner and on such terms and conditions including security, rate of interest etc. as may be deemed appropriate by the Board in compliance with the SEBI ICDR Regulations, and such securities shall be allotted within such time as may be allowed by the SEBI ICDR Regulations, considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead manager(s) and/or other advisor(s), as the Board at its absolute discretion may deem fit and appropriate."

"RESOLVED FURTHER THAT the relevant date for the determination of applicable price for the issue of the equity shares shall be the date on which the Board/committee decides to open the proposed issue."

"RESOLVED FURTHER THAT the relevant date for the determination of applicable price for the issue of the convertible securities or the issue of non convertible debentures with warrants, shall be the date on which the Board/committee decides to open the proposed issue.

"RESOLVED FURTHER THAT such number of these Securities to be issued as are not subscribed, may be disposed of by the Board, subject to applicable laws, regulations and guidelines, to such persons in such manner and on such terms as the Board in its absolute discretion thinks fit."

"RESOLVED FURTHER THAT in pursuance of the aforesaid resolutions, the Securities to be so offered, issued and allotted shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company"

"RESOLVED FURTHER THAT the issue to the holders of the Securities with underlying Equity Shares shall be, *inter alia*, subject to the following terms and conditions:

(a) in the event of the Company making a bonus issue by way of capitalization of its profits or reserves prior to the allotment of the equity shares, the number of equity shares to be allotted shall stand augmented in the same proportion in which the equity share capital increases as a consequence of such bonus issue, and the premium, if any, shall stand reduced *pro tanto*;

(b) in the event of the Company making a rights offer by issue of Equity Shares prior to the allotment of the Equity Shares, the entitlement to the Equity Shares will stand increased in the same proportion as that of the rights offer and such additional Equity Shares shall be offered to the holders of the Securities at the same price at which the same are offered to the existing shareholders; and

(c) in the event of merger, amalgamation, takeover or any other re-organization or restructuring or any such corporate action, the number of shares, the price and the time period as aforesaid shall be suitably adjusted."

"RESOLVED FURTHER THAT in case of issue and allotment of Securities by way of a QIP to Qualified Institutional Buyers ("QIBs") in terms of Chapter VIII of the SEBI ICDR Regulations:

- (i) the relevant date for the purpose of pricing of the equity shares to be issued, if issued pursuant to Chapter VIII of the SEBI ICDR Regulations, and/ or other applicable regulations, shall be the date of the meeting in which the Board or a duly authorised committee of the Board decides to open the proposed issue of equity shares, subsequent to the receipt of approval from the shareholders of the Company in terms of section 81(1A) of the Companies Act, 1956, and other applicable laws, rules regulations and guidelines in relation to the QIP;
- (ii) the Board or a duly authorised committee of the Board may offer a discount of up to 5% of the floor price in accordance with Regulation 85(1) the SEBI ICDR Regulations;
- (iii) the issue and allotment of equity shares shall be made only to QIBs within the meaning of the SEBI ICDR Regulations, and such equity shares shall be fully paid up on its allotment, which shall be completed within 12 months from the date of this resolution approving the proposed issue, or such other time that may be allowed under the SEBI ICDR Regulations from time to time;
- (iv) the equity shares shall not be eligible to be sold for a period of one year from the date of allotment, except on a recognized stock exchange and except as may be permitted by the SEBI ICDR Regulations; and
- (v) the total amount raised in such manner should not, together with the over-allotment option, exceed five times of the net worth of the Company as per its audited balance sheet for the previous financial year."

"**RESOLVED FURTHER THAT** without prejudice to the generality of the above, subject to applicable laws and subject to approval, consents, permissions, if any of any governmental body, authority or regulatory institution including any conditions as may be prescribed in granting such approval or permissions by such governmental authority or regulatory institution, the aforesaid Securities may have such features and attributes or any terms or combination of terms that provide for the tradability and free transferability thereof in accordance with the prevailing practices in the capital markets including but not limited to the terms and conditions for issue of additional Securities and the Board subject to applicable laws, regulations and guidelines be and is hereby authorized in its absolute discretion in such manner as it may deem fit, to dispose of such Securities that are not subscribed."

"**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolutions, the Board be and is hereby authorized to do all such acts, deeds, matters and things including but not limited to finalization and approval for the preliminary as well as final placement document, determining the form and manner of the issue, including the class of investors to whom the Securities are to be issued and allotted, number of Securities to be allotted, issue price, face value, premium amount on issue, conversion or exchange of the Securities, if any, rate of interest, execution of various transaction documents and agreements, creation of mortgages, and charge in accordance with Section 293(1)(a) of the Act, in respect of any Securities as may be required either on *pari-passu* basis or otherwise, to remunerate the lead managers and all other agencies and intermediaries by way of commission, brokerage, fees and the like as may be involved or connected in such offerings of Securities, as it may in its absolute discretion deem fit."

"**RESOLVED FURTHER THAT** for the purpose aforesaid, the Board be and is hereby authorized to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of the issue proceeds including but without limitation to the creation of such mortgage, hypothecation, charge on the Company's immovable and movable assets, both present and future, under Section 293(1)(a) of the Act, in respect of the Securities either on *pari passu* basis or otherwise, or in the borrowing of loans as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

"**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any committee of directors or any other Officer(s)/ authorized representative(s) of the Company to give effect to the aforesaid resolutions."

(iv) Re-appointment of Mr. Kailash Gupta as Chairman cum Managing Director and fixing his remuneration

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolutions**:

"**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310,311 and all other applicable provisions, if any, of the Companies Act, 1956 and read with Schedule XIII (including any statutory modification or re-enactment thereof, for the time

being in force) and in terms of the recommendation of the Remuneration Committee and as approved by the Board of Directors, approval of Members of the Company be and is hereby accorded to the re-appointment of Mr. Kailash Gupta as Managing Director; designated as Chairman cum Managing Director of the Company for a further period of 5 (Five) years commencing from November 1st, 2012 be and is hereby approved on such terms and conditions as set out in the agreement to be entered into between the company and Mr. Kailash Gupta, Chairman cum Managing Director, the draft whereof is placed before this meeting and for the purpose of the identification, is initialed by the Chairman hereof, which agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter or vary the terms and conditions of the said agreement as may be agreed between the Board of Directors and the Managing Director"

"RESOLVED FURTHER THAT notwithstanding any thing contained herein above, where, during he terms of employment of the Managing Director, if in any financial year the company has no profits or its profits are inadequate, unless otherwise approved by the Statutory Auditors, as may be required, the remuneration payable to the Managing Director shall be governed and be subject to the conditions and ceiling provide under the provisions of Part II of Schedule XIII to the Companies Act, 1956 or such other limits as may be prescribed by the Government from time to time as minimum remuneration."

"RESOLVED FURTHER THAT any of the directors of the Company be and is hereby authorised to enter into agreement of re-appointment on behalf of the Board and to do all such acts, deed and take such steps as may be necessary, proper or expedient to give effect to the above resolution."

(v) Re-appointment of Mr. Ajay Gupta as Whole Time Executive Director and fixing his remuneration

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolutions**:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310,311 and all other applicable provisions, if any, of the Companies Act, 1956 and read with Schedule XIII (including any statutory modification or re-enactment thereof, for the time being in force) and in terms of the recommendation of the Remuneration Committee and as approved by the Board of Directors, approval of Members of the Company be and is hereby accorded to the re-appointment of Mr. Ajay Gupta as Executive Director of the Company on Whole time basis for a further period of 5 (five) years with effect from November 1st, 2012 be and is hereby approved on such terms and conditions as set out in the agreement to be entered into between the company and Mr. Ajay Gupta, Whole Time Executive Director, the draft whereof is placed before this meeting and for the purpose of the identification, is initialed by the Chairman hereof, which agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter or vary the terms and conditions of the said agreement as may be agreed between the Board of Directors and the Whole Time Executive Director."

"RESOLVED FURTHER THAT notwithstanding any thing contained herein above, where, during he terms of employment of the Whole Time Executive Director, if in any financial year the company has no profits or its profits are inadequate, unless otherwise approved by the Statutory Auditors, as may be required, the remuneration payable to the Whole Time Executive Director shall be governed and be subject to the conditions and ceiling provide under the provisions of Part II of Schedule XIII to the Companies Act, 1956 or such other limits as may be prescribed by the Government from time to time as minimum remuneration."

"RESOLVED FURTHER THAT any of the directors of the Company be and is hereby authorised to enter into agreement for re-appointment on behalf of the Board and to do all such acts, deed and take such steps as may be necessary, proper or expedient to give effect to the above resolution."

By Order of the Board
For Commercial Engineers & Body Builders Co Limited

Anurag Misra
Company Secretary

Date: 1st November, 2012
Place: Mumbai

NOTES: -

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE GENERAL MEETING (THE MEETING) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The proxy form duly stamped and executed should be deposited at the Registered Office / Head Office of the Company atleast 48 hours before the time fixed for the commencement of the meeting. A blank proxy form is annexed to notice.
3. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Meeting.
4. Please bring the Attendance Slip duly filled in and hand over the same at the entrance of the Meeting Hall.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. The explanatory statement pursuant to Section 173 of the Companies in relation to the special business No. (i),(ii),(iii),(iv) and (v) of the notice is annexed herewith as required under the Act.
7. Members are requested to intimate to the Company changes, if any, in their registered addresses quoting their folio number immediately.
8. The equity shares of the company are listed at the National Stock Exchange Limited [NSE] at Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 and Bombay Stock Exchange Limited [BSE] at 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. It is informed that the Company has paid the annual listing fees of the above Stock Exchanges for the financial year 2012-13.
9. The National Securities Depository Limited, Trade World, 4th floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013 and Central Depository Services (India) Limited, 28th Floor, P J Towers, Dalal Street, Fort, Mumbai – 400023 are the custodian of the equity shares of the company.

Profile of Mr. Kailash Gupta
(Pursuant clause 49 of the Listing Agreement)

Mr. Kailash Gupta has a post graduate degree in Physics from D.A.V. College, Meerut University, Dehradun. He was awarded a doctorate degree by the Jabalpur University for his dissertation "A Probe into the Environmental Change with the Socio – Economic Development due to Automobiles". He has industry experience of over 32 years. He has been with our Company since 1979. Mr. Kailash Gupta was President of the Federation of Automobile Dealers Associations from September 2000 to September 2002 and is currently an active member of its Governing Council.

Mr. Kailash Gupta is the father-in-law of Mr. Ajay Gupta, who is an executive director of the Company.

Directorship in other Companies:

1. Kailash Motors Finance Pvt.Ltd.
2. J.N. Auto Ltd.
3. Commercial Automobiles (P) Ltd.
4. Shivam Motors (P) Ltd.
5. Kailash Auto Finance Ltd.
6. Shivam Phoenix Transport Services (P) Ltd.
7. Kailash Rolfo India (P) Ltd.
8. Kailash Infratech Pvt Ltd
9. Commercial Motors (Dehradun) Pvt Ltd.
10. Commercial Automobiles Jabalpur Pvt Ltd

Mr. Kailash Gupta is not a member of any other Committee as contemplated under clause 49 of the Listing Agreement, other than a member of Shareholder's/Investor's Grievance Committee and Shares Transfer Committee of Commercial Engineers & Body Builders Co limited and holds 12645780 shares (23.01%) in the Company.

Profile of Mr. Ajay Gupta
(Pursuant clause 49 of the Listing Agreement)

Mr. Ajay Gupta is a commerce graduate from University of Mumbai with distinction, and has completed a one- year Business Leaders Programme from Indian Institute of Management, Kolkata. He joined the Company in May 2004. He has been instrumental in conceiving and extending our business in the railways segment. He is a first generation entrepreneur and has significant cross-sector experience. Prior to his joining the Company, he was involved in the Textiles industry in his family business, specifically in the production and sale of bed sheets. His last assignment in that business was the promotion and marketing of the brand 'Viva' which he sold towards the end of 2003 to a leading textile manufacturer in India

Mr. Ajay Gupta is the Son-in-law of Mr. Kailash Gupta, who is an executive director of the Company.

Directorship in other Companies:

1. Hansika Mercantiles Pvt Limited

Mr. Ajay Gupta is not a member of any other Committee as contemplated under clause 49 of the Listing Agreement and holds 11281270 shares (20.53%) in the Company.

ANNEXURE FORMING PART OF THE NOTICE

Explanatory Statement under Sections 173(2) of the Companies Act, 1956

(i) Increase in Authorised Share Capital

The Company proposes to increase the authorized share capital of the Company in order to facilitate a further issue of shares by the Company.

The proposed resolution placed at Item no. (i) of this Notice, is intended to give effect to the above proposal and is placed before the shareholders for according approval thereto by passing an ordinary resolution.

The Board recommends the adoption of the resolution. None of the Directors of the company are interested in the resolution.

(ii) Amendment of Memorandum of Association

The company proposes to amend its Memorandum of Association to increase in its authorized share capital.

The proposed resolution placed at Item no. (ii) of this Notice, is intended to give effect to the above proposal and is placed before the shareholders for according approval thereto by passing a special resolution.

The Board recommends the adoption of the resolution. None of the Directors of the company are interested in the resolution.

(iii) To approve further issue of securities

Given the companies future growth plans the board thinks it necessary to augment the long term resources of the company by way of issuance of securities including equity shares, secured or unsecured debenture, bonds, warrants or any other securities whether convertible or exchangeable in to equity shares or not, or any other equity related instrument of the company or a combination of the forgoing including but not limited to a combination of equity shares with bonds and/or any other securities whether convertible or exchangeable into equity shares or not, and issue new foreign currency convertible bonds considering the prevailing market conditions and other relevant factors upto an aggregate amount of Rs. 150 crores equivalent amount.

The directors intent to deploy the net proceeds from the issue of further capital for funding any one or more of, (i) capital expenditure, (ii) general corporate purpose (iii) strategic acquisitions, (iv) reduction of debt.

To enable the company to raise further funds by issuance of the long term securities under section 81 (1A) of the Companies Act 1956, a special resolution to that effect is required to be passed by the shareholders of the company at the general meeting. Besides, the company is required to comply with the provisions of the SEBI ICDR Regulations.

The proposed resolution placed at Item no. (iii) of this Notice, is intended to give effect to the above proposal and is placed before the shareholders for according approval thereto by passing a special resolution.

The Board recommends the adoption of the resolution. None of the Directors of the company is concerned or interested in the resolution except to the extent of their shareholding in the company, if any.

(iv) Re-appointment of Mr. Kailash Gupta as Chairman cum Managing Director and fixing his remuneration

Subject to the necessary approvals of the Members in the General Meeting, the Board of Directors of the Company in its meeting held on 1st November, 2012 reappointed Mr. Kailash Gupta as Managing Director of the Company for a further period of 5 years with effect form 1st November, 2012 to 31st October, 2017.

Mr. Kailash Gupta is responsible for day to day operations of the Company under the overall superintendence, direction and control of the Board. In recognition of his excellent performance and to enable the Company to continue to benefit from his stewardship, the Remuneration Committee has recommended his re-appointment as Managing Director.

The Remuneration Committee along with the Board of Directors of the Company at their meeting held on November 1st, 2012 approved the following remuneration terms and broad terms & conditions for re-appointment of Mr. Kailash Gupta as Managing Director; as detailed hereunder:

TERMS & CONDITIONS OF APPOINTMENT OF MR. KAILASH GUPTA AS MANAGING DIRECTOR

(From 1st November, 2012 to 31st Oct, 2017)

Basic Salary - Rs. 8.00 Lacs
Contribution to Provident Fund as per applicable laws
Gratuity: as per applicable laws

Increment for each year shall be determined by the Remuneration Committee and which shall be subject to approval of the Board of Directors and members of the Company in the General Meeting of members.

Apart from the aforesaid remuneration, the Managing Director shall be entitled to reimbursement of all business related expenses actually and properly incurred for the business of the Company.

During his terms of employment of the Managing Director, if in any financial Year the company has no profits or its profits are inadequate, unless otherwise approved by the Statutory Auditors, as may be required, the remuneration shall be paid as per the conditions and monetary ceiling prescribed in Schedule XIII to the Companies Act, 1956 or any re-enactments thereof.

A copy of the draft agreement referred in the resolution is available for inspection by the members at the Registered Office of the Company on any working day excluding public holidays and Sundays, between 11.00 A.M. to 1.00 P.M. upto and including the date of Extra Ordinary General Meeting.

In compliance with the applicable provisions of the Companies Act, 1956, Ordinary Resolution as per the terms set out in Item (iv) of the accompanying Notice is being placed before the members in the Extra Ordinary General Meeting.

None of the Directors of the Company except Mr. Kailash Gupta and Mr. Ajay Gupta, being son in law of Mr. Kailash Gupta are, in any way, concerned or interested in the resolution except to the extent of their shareholding in the Company.

The Directors recommend the resolution for approval of members.

(v) Re-appointment of Mr. Ajay Gupta as Whole Time Executive Director and fixing his remuneration

Subject to the necessary approvals of the Members in the General Meeting, the Board of Directors of the Company in its meeting held on 1st November, 2012 reappointed Mr. Ajay Gupta as Executive Director of the Company on Whole time basis of the Company for a further period of 5 years with effect from 1st November, 2012 to 31st October, 2017.

Mr. Ajay Gupta is responsible for liaising with Government agencies, business development and other day to day affairs of the Company under the overall superintendence, direction and control of the Board. In recognition of his vast experience and managerial skills, the Remuneration Committee has recommended his re-appointment as Executive Director of the Company with such emoluments and for such term as provided in the resolution.

The Remuneration Committee along with the Board of Directors of the Company at their meeting held on November 1st, 2012 approved the following remuneration terms and broad terms & conditions for re-appointment of Mr. Ajay Gupta as Executive Director of the Company on Whole time basis; as detailed hereunder:

TERMS & CONDITIONS OF APPOINTMENT OF MR. AJAY GUPTA AS WHOLE TIME EXECUTIVE DIRECTOR

(From 1st November, 2012 to 31st Oct, 2017)

Basic Salary - Rs. 8.00 Lacs
Contribution to Provident Fund as per applicable laws
Gratuity: as per applicable laws

Increment for each year shall be determined by the Remuneration Committee and which shall be subject to approval of the Board of Directors and members of the Company in the General Meeting of members.

Apart from the aforesaid remuneration, the Executive Director of the Company on Whole time basis shall be entitled to reimbursement of all business related expenses actually and properly incurred for the business of the Company.

During his terms of employment of the Whole Time Executive Director, if in any financial Year the company has no profits or its profits are inadequate, unless otherwise approved by the Statutory Auditors, as may be required, the remuneration shall be paid as per the conditions and monetary ceiling prescribed in Schedule XIII to the Companies Act, 1956 or any re-enactments thereof.

A copy of the draft agreement referred in the resolution is available for inspection by the members at the Registered Office of the Company on any working day excluding public holidays and Sundays, between 11.00 A.M. to 1.00 P.M. upto and including the date of Extra Ordinary General Meeting.

In compliance with the applicable provisions of the Companies Act, 1956, Ordinary Resolution as per the terms set out in Item (iv) of the accompanying Notice is being placed before the members in the Extra Ordinary General Meeting.

None of the Directors of the Company except Mr. Ajay Gupta and Mr. Kailash Gupta, being father in law of Mr. Ajay Gupta are, in any way, concerned or interested in the resolution except to the extent of their shareholding in the Company.

The Directors recommend the resolution for approval of members.

By Order of the Board
For Commercial Engineers & Body Builders Co Limited


Anurag Misra
Company Secretary

Date: 1st November, 2012
Place: Mumbai