

BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

Minutes of proceedings of the twenty sixth Annual General Meeting of the Company held at its Corporate Office premises at E-34, Rajiv Gandhi Salai, Egattur Village, Navalur – 603 103, Kancheepuram District on Friday, 26th July, 2013 at 11.00 a.m.

Present:

36 Shareholder (including four Director-shareholders) and 11 proxies were present in person. The following Directors attended the meeting.

1. Mr.V.M.Lakshminarayanan, Chairman & Managing Director
2. Mr.V.M.Seshadri, Managing Director
3. Mr.V.M.Gangadharam, Executive Director
4. Mr.V.M.Kumaresan, Executive Director-Technical
5. Mr.K.Ganesan, Director
6. Mr.V.R.Lakshminarayanan, Director
7. Mr.A.Balasubramanian, Director
8. Mr.M.Padmanabhan, Director
9. Mr.T.R.Srinivasan, Director
10. Mr.G.S.Samuel, Director
11. Mr.R.S.Prakash, Nominee Director
12. Mr.D.Krishnamurthy, Executive Director-cum-Company Secretary

Mr.V.M.Lakshminarayanan, Chairman & Managing Director occupied the chair.

As the requisite quorum was present, the Chairman called the meeting to order.

He mentioned that the Register of Directors' shareholdings under section 307 of the Companies Act, 1956 kept at the entrance of the Meeting Hall, was available for inspection of the Members. Thereafter, he requested the Executive Director-cum-Company Secretary to read the Notice convening the meeting and the Auditors' Report. Mr.Pramodkumar Agarwal, a shareholder suggested that the Notice could be taken as read. As the other members present also agreed for the same, Chairman requested the Executive Director-cum-Company Secretary to read the Auditors' Report which was done. Thereafter, Chairman read out his address to the shareholders:



“Ladies and Gentlemen,

I have great pleasure in welcoming you all on behalf of the Board of Directors and on my own behalf to the twenty sixth Annual General Meeting of your Company. The audited accounts of the Company for the financial year ended on 31st March 2013 and the Directors’ Report thereon have been with you for quite some time now and, with your permission, I shall take them as read.

REVIEW OF PERFORMANCE:

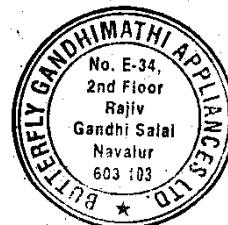
Against the backdrop of a significant slowdown in the Country’s economy, which also affected the growth of the appliances industry, the turnover of your Company for the period under review recorded an overall growth of 25.62% on a higher base, after achieving growth of 141% and 38% in the previous two years. Your Company’s growth for the period under review is above the industry average, primarily driven by its innovative marketing and product initiatives. Sale of Pressure Cookers and Mixer Grinders grew by 25.36% and 9.59% respectively as compared to the previous financial year. Sale of Table Top Wet Grinders grew by 108.63% as compared to the previous financial year driven by continued traction in demand for the economy model launched in the second quarter of financial year 2012-13. The Company’s strategic call to expand its base in the Northern part of the Country has gained good distribution width.

DIVIDEND:

The Board of Directors has recommended a dividend of Rs.2.50 per equity share on 1,78,79,551 fully paid up equity shares of Rs.10/- each for approval of the shareholders.

CURRENT YEAR PROSPECTS:

Your Company continues to witness strong demand for its products as reflected by 40.64% growth in retail channel sales during financial year 2012-13, as compared to the previous financial year. We expect the non-government channel to maintain the growth momentum, driven by the Company’s impetus on its marketing activities, expansion in non-South Indian markets, marketing spend and new product launches in the current financial year. The Company has since launched Inner Lid Pressure Cookers, Chimneys, Juicers and Hand Blenders, and some more new products are in the pipeline. The Company has given its bid against the TNCSC tenders for supply of Table Top Wet Grinders and Mixer Grinders during the current financial year as well, the outcome of which is yet to be known. Overall, we remain optimistic on the sustained growth prospects of your Company.



CONCLUSION:

To conclude, I wish to place on record my sincere thanks and appreciation to my colleagues on the Board, State Bank of Travancore, IDBI Bank Ltd, Bank of Baroda, The South Indian Bank Ltd, Axis Bank, ING Vysya Bank and PEC Ltd for the co-operation extended by them and the distributors, dealers and employees at all levels and also to our innumerable customers.

Thanking you once again and looking forward to your continued support and patronage."

On Conclusion of his speech, the Chairman read the following resolution to be passed as an Ordinary Resolution:

1.RESOLUTION NO.1 – ADOPTION OF ACCOUNTS:

"RESOLVED THAT the Audited Balance Sheet as on 31st March, 2013 and the Profit and Loss Account for the financial year ended on that date and the Report of the Directors and the Auditors of the Company, be and are hereby approved and adopted".

Thereafter he requested anyone of the shareholder to propose the resolution.

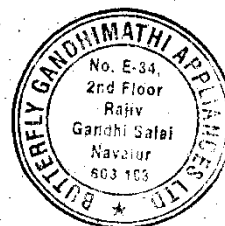
Mr.Pramodkumar Agarwal, a shareholder of the Company, proposed the resolution.

Mr.M.Raju, a shareholder, of the Company, seconded the resolution.

Before putting the resolution to vote, Chairman requested the members present to raise their queries, if any, on the accounts. Messrs.Pramodkumar Agarwal, S.Padmanabhan and Visweswaran, shareholders raised certain points/ queries which were replied by the Chairman & Managing Director, Executive Director and Executive Director-cum-Company Secretary. Mr.S.Padmanabhan suggested that as there is no trading in the Madras and Ahmedabad Stock Exchanges, the Company may consider delisting its equity shares from these Stock Exchanges. After answering the shareholders' queries, the resolution was put to vote and, on a show of hands, carried unanimously.

2. RESOLUTION NO.2 – RECOMMENDATION OF DIVIDEND:

Mr.Pramodkumar Agarwal, a shareholder, proposed the following resolution as an Ordinary Resolution:



"RESOLVED THAT pursuant to the recommendation of the Board of Directors of the Company, a dividend of Rs.2.50/- per equity share on 1,78,79,551 Equity Shares of Rs.10/- each fully paid up, absorbing a sum of Rs.4,46,98,878/-, exclusive of Income Tax be and is hereby declared for the financial year ended 31st March, 2013 and the same be paid to those shareholders whose names appear in the Register of Members of the Company as at the close of 26th July 2013.

Seconded by Mr.N.Rose, a shareholder, the resolution was put to vote and, on a show of hands, carried unanimously.

3. RESOLUTION NO.3 - REAPPOINTMENT OF DIRECTOR RETIRING BY ROTATION:

Mr. M.V.Kumar, a shareholder, proposed the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr.A.Balasubramanian, a Director of the Company, who retires by rotation at this meeting, being eligible for reappointment be and is hereby appointed as Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation".

Seconded by Mr.M.Raju, a shareholder, the resolution was put to vote and, on a show of hands, carried unanimously.

4. RESOLUTION NO.4 - REAPPOINTMENT OF DIRECTOR RETIRING BY ROTATION:

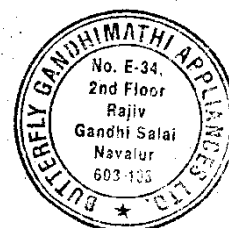
Mr.D.Vincent, a shareholder, proposed the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr.K.J.Kumar, a Director of the Company, who retires by rotation at this meeting, being eligible for reappointment be and is hereby appointed as Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation".

Seconded by Mr.N.Rose, a shareholder, the resolution was put to vote and, on a show of hands, carried unanimously.

5. RESOLUTION NO.5 - REAPPOINTMENT OF DIRECTOR RETIRING BY ROTATION:

Mr. G.Kodandaraman, a shareholder, proposed the following resolution as an Ordinary Resolution:



“RESOLVED THAT Mr.G.S.Samuel, a Director of the Company, who retires by rotation at this meeting, being eligible for reappointment be and is hereby appointed as Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation”.

Seconded by Mr.M.Ravichandran, a shareholder, the resolution was put to vote and, on a show of hands, carried unanimously.

6. RESOLUTION NO.6 - REAPPOINTMENT OF AUDITORS:

Mr.N.Rose, a shareholder, proposed the following resolution as an Ordinary Resolution:

“RESOLVED THAT the retiring Auditors, M/s.Rudhrakumar Associates, Chartered Accountants, Chennai be and are hereby reappointed as Auditors of the Company to hold Office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company, on such remuneration as may be determined by the Board of Directors of the Company, in addition to service tax, travelling and other out of pocket expenses actually incurred by them in connection with audit and fees, if any, for the professional services rendered by them, in any other capacity from time to time”.

Seconded by Mr.Pramodkumar Agarwal, a shareholder, the resolution was put to vote and, on a show of hands, carried unanimously.

7. RESOLUTION NO.7 – APPOINTMENT OF DIRECTOR:

Mr.M.Ravichandran, a shareholder, proposed the following resolution as an Ordinary Resolution:

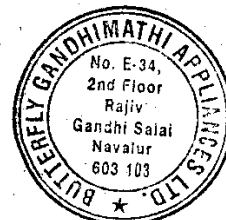
“RESOLVED THAT Mr.T.R.Srinivasan be and is hereby appointed as a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation.”

Seconded by Mr.D.Vincent, a shareholder, the resolution was put to vote and, on a show of hands, carried unanimously.

8. RESOLUTION NO.8: REAPPOINTMENT AND REMUNERATION PAYABLE TO MANAGING DIRECTOR:

Mr.N.Rose, a shareholder proposed the following resolution as a Special Resolution:

A.That pursuant to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII to the Companies Act, 1956 ('The Act') and other applicable provisions, if any, of the Act, Mr.V.M.Seshadri be and is hereby reappointed as Managing Director of the Company for a period of three years with effect from 01st June, 2014, whose period



of office shall not be subject to retirement by rotation during his tenure of office as Managing Director on the following terms and conditions:

Remuneration: Subject to the ceiling limits laid down in Sections 198 and 309 of the Act, remuneration by way of salary, perquisites and commission shall not exceed the following limits, namely:

I. SALARY AND PERQUISITES

1. Salary	Rs.34,80,000/- per annum or Rs.2,90,000/- per month, including dearness and all other allowances
2. Medical	One month's salary in a year or three month's salary over a period of three years for self and family.
3. Leave Travel Assistance	For self and family to and fro Airfare to any place in India and abroad once a year.
Note: For items (2) and (3) above, Family includes the spouse, the dependent children and the dependent parents.	
4. Personal Accident Insurance	Personal Accident cover of an amount, the annual premium of which does not exceed Rs.10,000/- per annum.
5. Annual Leave and leave encashment Benefits	As per rules of the Company
<p>Note 1: Perquisites (2) to (5) shall not exceed 20% of his annual salary. For this purpose, perquisites will be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rule, perquisites will be evaluated at actual.</p> <p>Note 2: The Board of Directors will have the liberty to re-fix individual ceilings under each of the above heads or to allow any other perquisites as may be permitted by the Central Government so as not to exceed 20% of the annual salary.</p>	

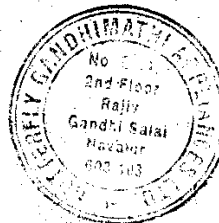


6. Other Benefits	
a. Provident Fund Contribution	Subject to a ceiling of 12% of his salary
b. Superannuation Contribution	Subject to a ceiling of 15% of his salary
c. Gratuity	Not exceeding half a month's salary for each completed year of service, subject to a limit of Rs.10 lakhs.
7. Encashment of Leave at the end of the tenure.	As per rules of the Company
Note: Contribution to Provident Fund, Superannuation Fund, Gratuity payable and encashment of leave at the end of the tenure shall not be included in the computation of the ceiling on remuneration specified in Schedule XIII to the Companies Act 1956.	
8. Car	Use of Company maintained car with driver for official purposes.
9. Telephone/Mobile	Telephone at residence/cellular phone for official use.
Note: Provision of a car for use on Company Business and Cellular Phone/Telephone for official use will not be considered as Perquisites	

Where in any financial year during the tenure of Mr.V.M.Seshadri as Managing Director the Company has no profits or its profits are inadequate, the salary and perquisites stated vide I (1) to (9) above will be paid as minimum remuneration to him, subject to the ceiling prescribed under Schedule XIII, Part II, Section (B) to the Companies Act, 1956. In case such minimum remuneration exceeds the limits prescribed under Schedule XIII, necessary application will be made to the Central Government for approval.

II. COMMISSION

In addition to his salary and perquisites stated vide I. (1) to (9) above, where the company earns profits in a financial year, Mr.V.M.Seshadri, together with the three other managerial personnel, viz., Messrs.V.M. Lakshminarayanan, V.M.Gangadharam and V.M.Kumaresan, shall be entitled to receive commission on net profits. However, the combined aggregate limit of salary/ perquisites/commission paid to all the managerial personnel of the Company shall not exceed 10% of net profits, as prescribed under Section 309(3) read with Part II, Section I of Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof. The quantum of commission to be paid to each of the above managerial personnel will be determined as agreed amongst them and approved by the Remuneration Committee/Board of Directors.



III. REIMBURSEMENT OF EXPENSES

a. Entertainment expenses:

Reimbursement of entertainment expenses wholly and exclusively incurred for the business of the Company, subject to a reasonable ceiling as may be fixed from time to time by the Board.

b. Travelling expenses:

Reimbursement of travelling expenses actually and properly incurred for the business of the Company, subject to a reasonable ceiling as may be fixed from time to time by the Board.

B. That the Board is authorised to enhance, enlarge, alter or vary the scope and quantum of remuneration and perquisites of Mr.V.M.Seshadri, Managing Director, from time to time so as not to exceed the limits prescribed under Schedule XIII to the Companies Act, 1956 or any amendment(s) thereto and agreed to between the Board and Mr.Seshadri, without further reference to the Company in General Meeting and/or the Central Government.

Seconded by Mr.M.Raju, a shareholder, the resolution was put to vote and, on a show of hands, carried unanimously.

9. RESOLUTION NO.9: REAPPOINTMENT AND REMUNERATION PAYABLE TO EXECUTIVE DIRECTOR:

Mr.G.Kodandaraman, a shareholder, proposed the following resolution as a Special Resolution:

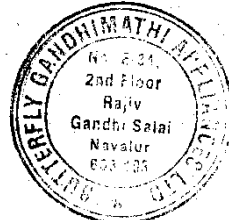
- A. That pursuant to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII to the Companies Act, 1956 ('The Act') and other applicable provisions, if any, of the Act, Mr.V.M.Gangadharam be and is hereby reappointed as Executive Director of the Company for a period of three years with effect from 01st October 2013, whose period of office shall not be subject to retirement by rotation during his tenure of office as Executive Director on the following terms and conditions:

Remuneration: Subject to the ceiling limits laid down in Sections 198 and 309 of the Act, remuneration by way of salary, perquisites and commission shall not exceed the following limits, viz.,



I. SALARY AND PERQUISITES

1. Salary	Rs.33,60,000/- per annum or Rs.2,80,000/- per month, including dearness and all other allowances
2. Medical	One month's salary in a year or three month's salary over a period of three years for self and family.
3. Leave Travel Assistance	For self and family to and fro Airfare to any place in India and abroad once a year.
Note: For items (2) and (3) above, Family includes the spouse, the dependent children and the dependent parents.	
4. Personal Accident Insurance	Personal Accident cover of an amount, the annual premium of which does not exceed Rs.10,000/- per annum.
5. Annual Leave and leave encashment Benefits	As per rules of the Company
Note 1: Perquisites (2) to (6) shall not exceed 20% of his annual salary. For this purpose, perquisites will be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rule, perquisites will be evaluated at actual.	
Note 2: The Board of Directors will have the liberty to re-fix individual ceilings under each of the above heads or to allow any other perquisites as may be permitted by the Central Government so as not to exceed 20% of the annual salary.	
6. Other Benefits	
a. Provident Fund Contribution	Subject to a ceiling of 12% of his salary
b. Superannuation Contribution	Subject to a ceiling of 15% of his salary
c. Gratuity	Not exceeding half a month salary for each completed year of service subject to a limit of Rs.10 lakhs.
7. Encashment of Leave at the end of the tenure.	As per rules of the Company



Note: Contribution to Provident Fund, Superannuation Fund, Gratuity payable and encashment of leave at the end of the tenure shall not be included in the computation of the ceiling on remuneration specified in Schedule XIII to the Companies Act 1956.

8. Car	Use of Company maintained car with driver for official purposes.
9. Telephone/Mobile	Telephone at residence/cellular phone for official use.
Note: Provision of a car for use on Company Business and Cellular Phone/Telephone for official use will not be considered as Perquisites	

Where in any financial year during the tenure of Mr.V.M.Gangadharam as Executive Director the Company has no profits or its profits are inadequate, the salary and perquisites stated vide I (1) to (9) above will be paid as minimum remuneration to him, subject to the ceiling prescribed under Schedule XIII, Part II, Section (B) to the Companies Act, 1956. In case such minimum remuneration exceeds the limits prescribed under Schedule XIII, necessary application will be made to the Central Government for approval.

II. COMMISSION

In addition to his salary and perquisites stated vide I. (1) to (9) above, where the company earns profits in a financial year, Mr.V.M.Gangadharam, together with the other managerial personnel viz., Messrs.V.M.Lakshminarayanan, V.M.Seshadri and V.M.Kumaresan shall be entitled to receive commission on net profits. However, the combined aggregate limit of salary/ perquisites/commission paid to all the above managerial personnel shall not exceed 10% of net profits, as prescribed under Section 309(3) read with Part II, Section I of Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof. The quantum of commission to be paid to each of the above managerial personnel will be determined as agreed amongst them and approved by the Remuneration Committee/Board of Directors.

III. REIMBURSEMENT OF EXPENSES

a. Entertainment expenses:

Reimbursement of entertainment expenses wholly and exclusively incurred for the business of the Company, subject to a reasonable ceiling as may be fixed from time to time by the Board.

b. Travelling expenses:

Reimbursement of travelling expenses actually and properly incurred for the business of the Company, subject to a reasonable ceiling as may be fixed from time to time by the Board.



B. That the Board is authorised to enhance, enlarge, alter or vary the scope and quantum of remuneration and perquisites of Mr.V.M.Gangadharam, Executive Director, from time to time so as not to exceed the limits prescribed under Schedule XIII to the Companies Act, 1956 or any amendment(s) thereto and agreed to between the Board and Mr.Gangadharam, without further reference to the Company in General Meeting and/or the Central Government.

Seconded by Mr.V.Selvaraj, a shareholder, the resolution was put to vote and, on a show of hands, carried unanimously.

10. RESOLUTION NO.10 – APPOINTMENT OF DIRECTOR:

Mr. V.Selvaraj, a shareholder proposed the following resolution as an Ordinary Resolution:

RESOLVED THAT Mr.D.Krishnamurthy be and is hereby appointed as a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation.”

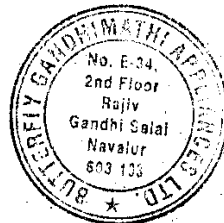
Seconded by Mr.Pramodkumar Agarwal, a shareholder, the resolution was put to vote and, on a show of hands, carried unanimously.

11. RESOLUTION NO.11: APPOINTMENT OF EXECUTIVE DIRECTOR-CUM-COMPANY SECRETARY:

Mr. G.Kodandaraman, a shareholder, proposed the following resolution as a Special Resolution:

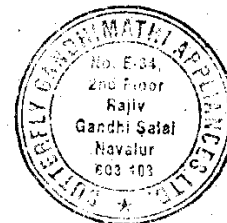
- A. That pursuant to the provisions of Sections 198, 269, 310 and 311 read with Schedule XIII to the Companies Act, 1956 ('The Act') and other applicable provisions, if any, of the Act, Mr.D.Krishnamurthy be and is hereby appointed as a Whole-time Executive Director-cum-Company Secretary of the Company for a period of three years with effect from 01st June, 2013 on the following terms and conditions:

Remuneration: Subject to the ceiling limits laid down in Sections 198 and 309 of the Act, remuneration by way of salary, perquisites and commission shall not exceed the following limits, viz.,



I. SALARY AND PERQUISITES

1. Salary	Rs.20,40,000/- per annum or Rs.1,70,000/- per month, including dearness and all other allowances
2. Medical	One month's salary in a year or three month's salary over a period of three years for self and family.
3. Leave Travel Assistance	For self and family to and fro Airfare to any place in India and abroad once a year.
4. Bonus	As per rules of the Company, not exceeding one month's salary.
Note: For items (2) and (3) above, Family includes the spouse, the dependent children and the dependent parents.	
5. Personal Accident Insurance	Personal Accident cover of an amount, the annual premium of which does not exceed Rs.10,000/- per annum.
6. Annual Leave and leave encashment Benefits	As per rules of the Company
<p>Note 1: Perquisites (2) to (6) shall not exceed 20% of his annual salary. For this purpose, perquisites will be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rule, perquisites will be evaluated at actual.</p> <p>Note 2: The Board of Directors will have the liberty to re-fix individual ceilings under each of the above heads or to allow any other perquisite as may be permitted by the Central Government so as not to exceed 20% of the annual salary.</p>	
7. Other Benefits	
a. Provident Fund Contribution	Subject to a ceiling of 12% of his salary
b. Superannuation Contribution	Subject to a ceiling of 15% of his salary
c. Gratuity	Not exceeding half a month salary for each completed year of service subject to a limit of Rs.10 lakhs.
8. Encashment of Leave at the end of the tenure.	As per rules of the Company



9. Car	Use of Company maintained car with driver for official purposes.
10. Telephone/Mobile	Telephone at residence/cellular phone for official use.
Note: Provision of a car for use on Company Business and Cellular Phone/Telephone for official use will not be considered as Perquisites	

Where in any financial year during the tenure of Mr.D.Krishnamurthy as Executive Director-cum-Company Secretary the Company has no profits or its profits are inadequate, the salary and perquisites stated vide 1 (1) to (9) above will be paid as minimum remuneration to him, subject to the ceiling prescribed under Schedule XIII, Part II, Section (B) to the Companies Act, 1956. In case such minimum remuneration exceeds the limits prescribed under Schedule XIII, necessary application will be made to the Central Government for approval.

II.REIMBURSEMENT OF EXPENSES

a. Entertainment expenses:

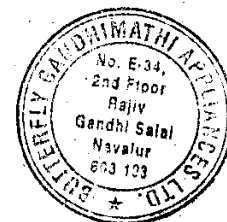
Reimbursement of entertainment expenses wholly and exclusively incurred for the business of the Company, subject to a reasonable ceiling as may be fixed from time to time by the Board.

b. Travelling expenses:

Reimbursement of travelling expenses actually and properly incurred for the business of the Company, subject to a reasonable ceiling as may be fixed from time to time by the Board.

B. That the Board is authorised to enhance, enlarge, alter or vary the scope and quantum of remuneration and perquisites of Mr.D.Krishnamurthy, Executive Director-cum-Company Secretary, from time to time so as not to exceed the limits prescribed under Schedule XIII to the Companies Act, 1956 or any amendment(s) thereto and agreed to between the Board and Mr.D.Krishnamurthy, without further reference to the Company in General Meeting and/or the Central Government.

Seconded by Mr.M.Ravichandran, a shareholder, the resolution was put to vote and, on a show of hands, carried unanimously.



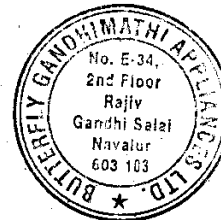
12. RESOLUTION NO.12 APPOINTMENT AND REMUNERATION PAYABLE TO HEAD – EXPORT OPERATIONS:

Mr.N.Rose, a shareholder, proposed the following resolution as a Special Resolution:

RESOLVED that pursuant to the provisions of Section 314(1)(b) of the Companies Act 1956 read with rule 10C(i) of the Companies (Central Government's) General Rules and Forms, 1956 and Director's Relatives (Office or Place of Profit) Rules 2003, consent of the Company be and is hereby accorded to Mr.V.M.S.Kumaraguru, a relative of Messrs.V.M.Lakshminarayanan, Chairman & Managing Director, V.M. Balasubramaniam, Director, V.M.Seshadri, Managing Director, V.M.Gangadharam, Executive Director and V.M.Kumaresan, Executive Director-Technical of the Company to hold office or Place of Profit as Head-Export Operations of the Company, with retrospective effect from 01.01.2013 on the following remuneration:

I. SALARY AND PERQUISITES

1. Salary	Rs.24.00 lakhs per annum or Rs.2,00,000/- per month, including dearness and all other allowances
2. Medical reimbursement	One month's salary in a year or three month's salary over a period of three years for self and family.
3. Leave Travel Assistance	For self and family to and fro Airfare to any place in India and abroad once a year.
4. Bonus	As per rules of the Company, not exceeding one month's salary.
Note: For items (2) and (3) above, Family includes the spouse, the dependent children and the dependent parents.	
5. Personal Accident Insurance	Personal Accident cover of an amount, the annual premium of which does not exceed Rs.5,000/- per annum.
6. Annual Leave and leave encashment Benefits	As per rules of the Company



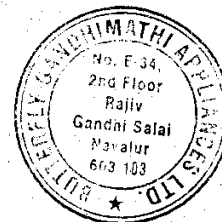
<p>Note 1: Perquisites (2) to (6) shall not exceed 20% of his annual salary. For this purpose, perquisites will be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rule, perquisites will be evaluated at actual.</p> <p>Note 2: The Board of Directors will have the liberty to re-fix individual ceilings under each of the above heads or to allow any other perquisite as may be permitted by the Central Government so as not to exceed 20% of the annual salary.</p>	
7. Other Benefits	
a. Provident Fund Contribution	Subject to a ceiling of 12% of his salary
b. Superannuation Contribution	Subject to a ceiling of 15% of his salary
c. Gratuity	Not exceeding half a month salary for each completed year of service subject to a limit of Rs.10 lakhs.
8. Encashment of Leave at the end of the tenure.	As per rules of the Company
9. Car	Use of Company maintained car with driver for official purposes.
10. Telephone/Mobile	Telephone at residence/cellular phone for official use.
<p>Note: Provision of a car for use on Company Business and Cellular Phone/Telephone for official use will not be considered as Perquisites</p>	

REIMBURSEMENT OF EXPENSES:

(i) Travelling/Hotel expenses: Reimbursement of travelling/Hotel expenses actually and properly incurred for the business of the Company.

(ii) Entertainment expenses: Reimbursement of entertainment expenses wholly and exclusively incurred for the business of the Company, subject to a reasonable ceiling as may be fixed from time to time by the Board.

Seconded by Mr.D.Vincent, a shareholder, the resolution was put to vote and, on a show of hands, carried unanimously.



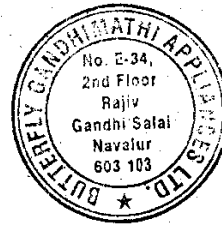
13. RESOLUTION NO.13 – REVISED REMUNERATION PAYABLE TO EXECUTIVE VICE PRESIDENT – MARKETING:

Mr. M.Ravichandran, a shareholder, proposed the following resolution as a Special Resolution:

“That pursuant to the provisions of the Section 314(1)(b) of the Companies Act, 1956 read with rule 10C(i) of the Companies (Central Government's) General Rules and Forms, 1956 and Director's Relatives (Office or Place of Profit) Rules, 2003, consent of the Company be and is hereby accorded to Mr.V.M.L.Karthikeyan, a relative of Messrs.V.M.Lakshminarayanan, Chairman, V.M.Balasubramaniam, Director, V.M.Seshadri, Managing Director, V.M.Gangadharam, Executive Director and V.M.Kumaresan, Executive Director-Technical of the Company to hold Office or Place of Profit as Executive Vice President – Marketing with retrospective effect from 1.6.2013 on the following remuneration:

I. SALARY AND PERQUISITES

1. Salary	Rs.24.96 lakhs per annum or Rs.2,08,000/- per month, including dearness and all other allowances
2. Medical reimbursement	One month's salary in a year or three month's salary over a period of three years for self and family.
3. Leave Travel Assistance	For self and family, to and fro Airfare to any place in India and abroad once a year.
4. Bonus	As per rules of the Company, not exceeding one month's salary.
Note: For items (2) and (3) above, Family includes the spouse, the dependent children and the dependent parents.	
5. Personal Accident Insurance	Personal Accident cover of an amount, the annual premium of which does not exceed Rs.5,000/- per annum.
6. Annual Leave and leave encashment Benefits	As per rules of the Company



Note 1: Perquisites (2) to (6) shall not exceed 20% of his annual salary. For this purpose, perquisites will be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rule, perquisites will be evaluated at actual.

Note 2: The Board of Directors will have the liberty to re-fix individual ceilings under each of the above heads or to allow any other perquisite as may be permitted by the Central Government so as not to exceed 20% of the annual salary.

7. Other Benefits	
a. Provident Fund Contribution	Subject to a ceiling of 12% of his salary
b. Superannuation Contribution	Subject to a ceiling of 15% of his salary
c. Gratuity	Not exceeding half a month salary for each completed year of service subject to a limit of Rs.10 lakhs.
8. Encashment of Leave at the end of the tenure.	As per rules of the Company
9. Car	Use of Company maintained car with driver for official purposes.
10. Telephone/Mobile	Telephone at residence/cellular phone for official use.
Note: Provision of a car for use on Company Business and Cellular Phone/Telephone for official use will not be considered as Perquisites	

II. REIMBURSEMENT OF EXPENSES

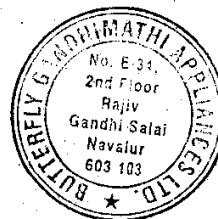
a. Entertainment expenses:

Reimbursement of entertainment expenses wholly and exclusively incurred for the business of the Company, subject to a reasonable ceiling as may be fixed from time to time by the Board.

b. Travelling expenses:

Reimbursement of travelling expenses actually and properly incurred for the business of the Company, subject to a reasonable ceiling as may be fixed from time to time by the Board.

Seconded by Mr.M.V.Kumar, a shareholder, the resolution was put to vote and, on a show of hands, carried unanimously.



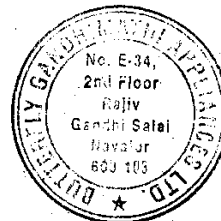
14. RESOLUTION NO.14 – REVISED REMUNERATION PAYABLE TO SENIOR GENERAL MANAGER – MATERIALS MANAGEMENT:

Mr.D.Vincent, a shareholder, proposed the following resolution as a Special Resolution:

“That pursuant to the provisions of the Section 314(1)(b) of the Companies Act, 1956 read with rule 10C(i) of the Companies (Central Government’s) General Rules and Forms, 1956 and Director’s Relatives (Office or Place of Profit) Rules 2003, consent of the Company be and is hereby accorded to Mr.V.M.G.Viswanathan, a relative of Messrs.V.M.Lakshminarayanan, Chairman, V.M.Balasubramaniam, Director, V.M.Seshadri, Managing Director, V.M.Gangadharam, Executive Director and V.M.Kumaresan, Executive Director-Technical of the Company to hold Office or Place of Profit as Senior General Manager-Materials Management with retrospective effect from 1.6.2013 on the following remuneration.

I. SALARY AND PERQUISITES

1. Salary	Rs.24.24 lakhs per annum or Rs.2,02,000/- per month, including dearness and all other allowances
2. Medical reimbursement	One month’s salary in a year or three month’s salary over a period of three years for self and family.
3. Leave Travel Assistance	For self and family, to and fro Airfare to any place in India and abroad once a year.
4. Bonus	As per rules of the Company, not exceeding one month’s salary.
Note: For items (2) and (3) above, Family includes the spouse, the dependent children and the dependent parents.	
5. Personal Accident Insurance	Personal Accident cover of an amount, the annual premium of which does not exceed Rs.5,000/- per annum.
6. Annual Leave and leave encashment Benefits	As per rules of the Company



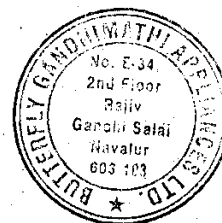
<p>Note 1: Perquisites (2) to (6) shall not exceed 20% of his annual salary. For this purpose, perquisites will be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rule, perquisites will be evaluated at actual.</p> <p>Note 2: The Board of Directors will have the liberty to re-fix individual ceilings under each of the above heads or to allow any other perquisite as may be permitted by the Central Government so as not to exceed 20% of the annual salary.</p>	
7. Other Benefits	
a. Provident Fund Contribution	Subject to a ceiling of 12% of his salary
b. Superannuation Contribution	Subject to a ceiling of 15% of his salary
c. Gratuity	Not exceeding half a month salary for each completed year of service subject to a limit of Rs.10 lakhs.
8. Encashment of Leave at the end of the tenure.	As per rules of the Company
9. Car	Use of Company maintained car with driver for official purposes.
10. Telephone/Mobile	Telephone at residence/cellular phone for official use.
<p>Note: Provision of a car for use on Company Business and Cellular Phone/Telephone for official use will not be considered as Perquisites</p>	

REIMBURSEMENT OF EXPENSES:

(i) Entertainment expenses: Reimbursement of entertainment expenses wholly and exclusively incurred for the business of the Company, subject to a reasonable ceiling as may be fixed from time to time by the Board.

(ii) Travelling expenses: Reimbursement of travelling expenses actually and properly incurred for the business of the Company, subject to a reasonable ceiling as may be fixed from time to time by the Board.

Seconded by Mr.M.V.Kumar, a shareholder, the resolution was put to vote and, on a show of hands, carried unanimously.



15. RESOLUTION NO.15 – REVISED REMUNERATION PAYABLE TO SENIOR GENERAL MANAGER - TECHNICAL:

Mr.M.V.Kumar, a shareholder, proposed the following resolution as a Special Resolution:

“That pursuant to the provisions of the Section 314(1) (b) of the Companies Act, 1956 read with rule 10C(i) of the Companies (Central Government's) General Rules and Forms, 1956 and Director's Relatives (Office or Place of Profit) Rules 2003, consent of the Company be and is hereby accorded to Mr.V.M.L.Senthilanathan, a relative of Messrs.V.M.Lakshminarayanan, Chairman, V.M.Balasubramaniam, Director, V.M. Seshadri Managing Director, V.M.Gangadharam, Executive Director and V.M.Kumaresan, Executive Director-Technical of the Company to hold Office or Place of Profit as Senior General Manager-Technical with retrospective effect from 1.6.2013 on the following remuneration:

I. SALARY AND PERQUISITES

1. Salary	Rs.24.24 lakhs per annum or Rs.2,02,000/- per month, including dearness and all other allowances
2. Medical reimbursement	One month's salary in a year or three month's salary over a period of three years for self and family.
3. Leave Travel Assistance	For self and family to and fro Airfare to any place in India and abroad once a year.
4. Bonus	As per rules of the Company, not exceeding one month's salary.
Note: For items (2) and (3) above, Family includes the spouse, the dependent children and the dependent parents.	
5. Personal Accident Insurance	Personal Accident cover of an amount, the annual premium of which does not exceed Rs.5,000/- per annum.
6. Annual Leave and leave encashment Benefits	As per rules of the Company



Note 1: Perquisites (2) to (6) shall not exceed 20% of his annual salary. For this purpose, perquisites will be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rule, perquisites will be evaluated at actual.

Note 2: The Board of Directors will have the liberty to re-fix individual ceilings under each of the above heads or to allow any other perquisite as may be permitted by the Central Government so as not to exceed 20% of the annual salary.

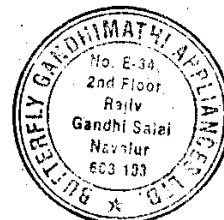
7. Other Benefits	
a. Provident Fund Contribution	Subject to a ceiling of 12% of his salary
b. Superannuation Contribution	Subject to a ceiling of 15% of his salary
c. Gratuity	Not exceeding half a month salary for each completed year of service subject to a limit of Rs.10 lakhs.
8. Encashment of Leave at the end of the tenure.	As per rules of the Company
9. Car	Use of Company maintained car with driver for official purposes.
10. Telephone/Mobile	Telephone at residence/cellular phone for official use.
Note: Provision of a car for use on Company Business and Cellular Phone/Telephone for official use will not be considered as Perquisites	

REIMBURSEMENT OF EXPENSES:

(i) Entertainment expenses: Reimbursement of entertainment expenses wholly and exclusively incurred for the business of the Company, subject to a reasonable ceiling as may be fixed from time to time by the Board.

(ii) Travelling expenses: Reimbursement of travelling expenses actually and properly incurred for the business of the Company, subject to a reasonable ceiling as may be fixed from time to time by the Board.

Seconded by Mr.G.Kodandaraman, a shareholder, the resolution was put to vote and, on a show of hands, carried unanimously.



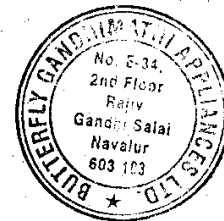
16. RESOLUTION NO.16 – REVISED REMUNERATION PAYABLE TO GENERAL MANAGER - MARKETING:

Mr.M.Ravichandran, a shareholder, proposed the following resolution as a Special Resolution

“That pursuant to the provisions of the Section 314(1)(b) of the Companies Act, 1956 read with rule 10C(i) of the Companies (Central Government's) General Rules and Forms, 1956 and Director's Relatives (Office or Place of Profit) Rules, 2003 subject to approval of Central Government, consent of the Company be and is hereby accorded to Mr.V.M.L.Ganesan, a relative of Messrs.V.M.Lakshminarayanan, Chairman, V.M.Balasubramaniam, Director, V.M.Seshadri, Managing Director, V.M.Gangadharam, Executive Director and V.M.Kumaresan, Executive Director-Technical of the Company to hold Office or Place of Profit as General Manager-Marketing with retrospective effect from 1.6.2013 on the following remuneration:

I. SALARY AND PERQUISITES

1. Salary	Rs.23.52 lakhs per annum or Rs.1,96,000/- per month, including dearness and all other allowances
2. Medical reimbursement	One month's salary in a year or three month's salary over a period of three years for self and family.
3. Leave Travel Assistance	For self and family to and fro Airfare to any place in India and abroad once a year.
4. Bonus	As per rules of the Company, not exceeding one month's salary.
Note: For items (2) and (3) above, Family includes the spouse, the dependent children and the dependent parents.	
5. Personal Accident Insurance	Personal Accident cover of an amount, the annual premium of which does not exceed Rs.5,000/- per annum.
6. Annual Leave and leave encashment Benefits	As per rules of the Company



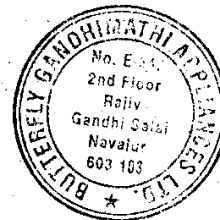
<p>Note 1: Perquisites (2) to (6) shall not exceed 20% of his annual salary. For this purpose, perquisites will be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rule, perquisites will be evaluated at actual.</p> <p>Note 2: The Board of Directors will have the liberty to re-fix individual ceilings under each of the above heads or to allow any other perquisite as may be permitted by the Central Government so as not to exceed 20% of the annual salary.</p>	
7. Other Benefits	
a. Provident Fund Contribution	Subject to a ceiling of 12% of his salary
b. Superannuation Contribution	Subject to a ceiling of 15% of his salary
c. Gratuity	Not exceeding half a month salary for each completed year of service subject to a limit of Rs.10 lakhs.
8. Encashment of Leave at the end of the tenure.	As per rules of the Company
9. Car	Use of Company maintained car with driver for official purposes.
10. Telephone/Mobile	Telephone at residence/cellular phone for official use.
<p>Note: Provision of a car for use on Company Business and Cellular Phone/Telephone for official use will not be considered as Perquisites</p>	

REIMBURSEMENT OF EXPENSES:

(i) Entertainment expenses: Reimbursement of entertainment expenses wholly and exclusively incurred for the business of the Company, subject to a reasonable ceiling as may be fixed from time to time by the Board.

(ii) Travelling expenses: Reimbursement of travelling expenses actually and properly incurred for the business of the Company, subject to a reasonable ceiling as may be fixed from time to time by the Board.

Seconded by Mr.N.Rose, a shareholder, the resolution was put to vote and, on a show of hands, carried unanimously.



17. RESOLUTION NO.17 – REVISED REMUNERATION PAYABLE TO GENERAL MANAGER - MARKETING:

Mr.G.Kodandaraman, a shareholder, proposed the following resolution as a Special Resolution

“That pursuant to the provisions of the Section 314(1)(b) of the Companies Act, 1956 read with rule 10C(i) of the Companies (Central Government's) General Rules and Forms, 1956 and Director's Relatives (Office or Place of Profit) Rules, 2003 subject to approval of Central Government, consent of the Company be and is hereby accorded to Mr.V.M.S.Selvamuthukumar, a relative of Messrs.V.M.Lakshminarayanan, Chairman, V.M.Balasubramaniam, Director, V.M.Seshadri, Managing Director, V.M.Gangadharam, Executive Director and V.M.Kumaresan, Executive Director-Technical of the Company to hold Office or Place of Profit as General Manager-Marketing with retrospective effect from 1.6.2013 on the following remuneration:

I. SALARY AND PERQUISITES

1. Salary	Rs.23.52 lakhs per annum or Rs.1,96,000/- per month, including dearness and all other allowances
2. Medical reimbursement	One month's salary in a year or three month's salary over a period of three years for self and family.
3. Leave Travel Assistance	For self and family to and fro Airfare to any place in India and abroad once a year.
4. Bonus	As per rules of the Company, not exceeding one month's salary.
Note: For items (2) and (3) above, Family includes the spouse, the dependent children and the dependent parents.	
5. Personal Accident Insurance	Personal Accident cover of an amount, the annual premium of which does not exceed Rs.5,000/- per annum.
6. Annual Leave and leave encashment Benefits	As per rules of the Company



Note 1: Perquisites (2) to (6) shall not exceed 20% of his annual salary. For this purpose, perquisites will be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rule, perquisites will be evaluated at actual.

Note 2: The Board of Directors will have the liberty to re-fix individual ceilings under each of the above heads or to allow any other perquisite as may be permitted by the Central Government so as not to exceed 20% of the annual salary.

7. Other Benefits	
a. Provident Fund Contribution	Subject to a ceiling of 12% of his salary
b. Superannuation Contribution	Subject to a ceiling of 15% of his salary
c. Gratuity	Not exceeding half a month salary for each completed year of service subject to a limit of Rs.10 lakhs.
8. Encashment of Leave at the end of the tenure.	As per rules of the Company
9. Car	Use of Company maintained car with driver for official purposes.
10. Telephone/Mobile	Telephone at residence/cellular phone for official use.
Note: Provision of a car for use on Company Business and Cellular Phone/Telephone for official use will not be considered as Perquisites	

REIMBURSEMENT OF EXPENSES:

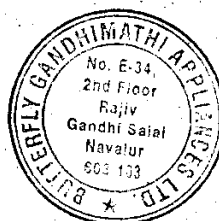
(i) Entertainment expenses: Reimbursement of entertainment expenses wholly and exclusively incurred for the business of the Company, subject to a reasonable ceiling as may be fixed from time to time by the Board.

(ii) Travelling expenses: Reimbursement of travelling expenses actually and properly incurred for the business of the Company, subject to a reasonable ceiling as may be fixed from time to time by the Board.

Seconded by Mr.M.V.Kumar, a shareholder, the resolution was put to vote and, on a show of hands, carried unanimously.

18. RESOLUTION NO.18 – REVISED REMUNERATION PAYABLE TO GENERAL MANAGER – CORPORATE STRATEGY:

Mr.N.Rose, a shareholder, proposed the following resolution as a Special Resolution



"That pursuant to the provisions of the Section 314(1)(b) of the Companies Act, 1956 read with rule 10C(i) of the Companies (Central Government's) General Rules and Forms, 1956 and Director's Relatives (Office or Place of Profit) Rules, 2003 subject to approval of Central Government, consent of the Company be and is hereby accorded to Mr.V.M.G.Mayuresan, a relative of Messrs.V.M.Lakshminarayanan, Chairman, V.M.Balasubramaniam, Director, V.M.Seshadri, Managing Director, Mr.V.M.Gangadharam, Executive Director and V.M.Kumaresan, Executive Director-Technical of the Company to hold Office or Place of Profit as General Manager-Corporate Strategy with retrospective effect from 1.6.2013 on the following remuneration:

I. SALARY AND PERQUISITES

1. Salary	Rs.23.04 lakhs per annum or Rs.1,92,000/- per month, including dearness and all other allowances
2. Medical reimbursement	One month's salary in a year or three month's salary over a period of three years for self and family.
3. Leave Travel Assistance	For self and family to and fro Airfare to any place in India and abroad once a year.
4. Bonus	As per rules of the Company, not exceeding one month's salary.
Note: For items (2) and (3) above, Family includes the spouse, the dependent children and the dependent parents.	
5. Personal Accident Insurance	Personal Accident cover of an amount, the annual premium of which does not exceed Rs.5,000/- per annum.
6. Annual Leave and leave encashment Benefits	As per rules of the Company
Note 1: Perquisites (2) to (6) shall not exceed 20% of his annual salary. For this purpose, perquisites will be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rule, perquisites will be evaluated at actual.	
Note 2: The Board of Directors will have the liberty to re-fix individual ceilings under each of the above heads or to allow any other perquisite as may be permitted by the Central Government so as not to exceed 20% of the annual salary.	



7. Other Benefits	
a. Provident Fund Contribution	Subject to a ceiling of 12% of his salary
b. Superannuation Contribution	Subject to a ceiling of 15% of his salary
c. Gratuity	Not exceeding half a month salary for each completed year of service subject to a limit of Rs.10 lakhs.
8. Encashment of Leave at the end of the tenure.	As per rules of the Company
9. Car	Use of Company maintained car with driver for official purposes.
10. Telephone/Mobile	Telephone at residence/cellular phone for official use.
Note: Provision of a car for use on Company Business and Cellular Phone/Telephone for official use will not be considered as Perquisites	

REIMBURSEMENT OF EXPENSES:

(i) Entertainment expenses: Reimbursement of entertainment expenses wholly and exclusively incurred for the business of the Company, subject to a reasonable ceiling as may be fixed from time to time by the Board.

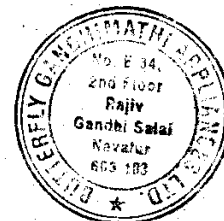
(ii) Travelling expenses: Reimbursement of travelling expenses actually and properly incurred for the business of the Company, subject to a reasonable ceiling as may be fixed from time to time by the Board.

Seconded by Mr.M.Raju, a shareholder, the resolution was put to vote and, on a show of hands, carried unanimously.

19. RESOLUTION NO.19: CONSENT OF SHAREHOLDERS FOR MORTGAGING THE IMMOVABLE/MOVABLE PROPERTIES OF THE COMPANY:

Mr.M.Ravichandran, a shareholder, proposed the following resolution as an Ordinary Resolution:

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 to:



A. Mortgaging and / or charging by the Board of Directors of the Company of all the immovable and movable properties of the Company wheresoever situate, presently and future, and the whole of the undertaking of the Company and/or conferring power to enter upon and take possession of the assets of the company in certain events to or in favour of all or any of the following namely:

- i. State Bank of Travancore (SBT)
- ii. IDBI Bank Ltd. (IDBI)
- iii. Bank of Baroda (BOB)
- iv. Axis Bank Ltd. (AXIS)
- v. ING Vysya Bank Ltd. (ING)

To secure:

- a) SBT- of its Working Capital Facilities of Rs.105 Crores
- b) IDBI- of its Working Capital Facilities of Rs.77 Crores
- c) BOB- of its Working Capital Facilities of Rs.73 Crores
- d) AXIS- of its Working Capital Facilities of Rs.75 Crores
- e) ING- of its Working Capital Facilities of Rs.55 Crores

or such other sums as may be sanctioned by the said banks from time to time, together with interest at the respective agreed rates, additional interest, liquidated damages, compound interest, costs, charges, expenses and other monies payable under Working Capital Consortium Agreement/ Sanction Letters as amended from time to time.

B. To the Board of Directors of the Company agreeing with all or any of the said SBT/IDBI/BOB/AXIS/ING in terms of their respective Working Capital Consortium Agreement / Letters of Sanction/ Memorandum of terms and conditions to reserve a right to take over the management of the business and concern of the Company in certain events.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to finalize with SBT/IDBI/BOB/AXIS/ING the documents for creating aforesaid mortgage and /or charge and for reserving the aforesaid right and to do all such acts and things as may be necessary for giving effect to the above resolution."

Seconded by Mr.N.Rose, a shareholder, the resolution was put to vote and, on a show of hands, carried unanimously.

There being no further business, the meeting terminated with a vote of thanks proposed by Mr.Viswanathan, a shareholder followed by the National Anthem.

