**RESOLUTION FOR APPOINTMENT OF MANAGING DIRECTOR AFTER THE AMENDMENT OF SCHEDULE XIII OF THE COMPANIES ACT, 1956, W.E.F. 14 JULY, 1993**

RESOLVED that subject to the provisions of section 269 read with Schedule XIII and any other applicable provisions of the Companies Act, 1956 and pursuant to Article No. .........of the Articles of Association of the company and further subject to the approvals of the financial institutions, banks, etc. with whom the company has any borrowing arrangements and where, under Such arrangements their approvals are necessary, Shri………….................. be and is hereby appointed as the managing director of the company for a period of 5 (five) years commencing on and from………… upon such terms and conditions as are expressed and contained in the draft agreement between the company and the said Shri . …………placed on the table and signed by the Chairman for this item on the Agenda, for the purpose of identification, which draft be and is also hereby approved.

AND FURTHER RESOLVED that subject to the approvals of the members in a general meeting under sections 198, 309 and of the Central Government under section 269 of the Companies Act, 1956 and any other applicable provisions and also the Article ........of the Articles of Association of the company and also further of the financial institutions, banks, etc. with whom the company has any borrowing arrangements and where, under such arrangements their approvals are necessary, the said Shri…………...................be paid the following remuneration for his services as the managing director of the company with effect from …………viz

**Salary**

A salary of Rs. 50,000 (Rupees Fifty Thousand Only) per month.

**Perquisites**

In addition to the above, the managing director shall be entitled to the following perquisites restricted to an amount equal to the annual salary or Rs ....... per annum, whichever is less. Unless the context otherwise requires, perquisites are classified into three categories'A', 'B'and 'C'as follows.

**Category 'A'**

This will comprise house rent allowance, leave travel concession, medical reimbursement, fees on clubs and personal accident insurance. These will be provided for as under:

(i) Housing I: The expenditure by the company on hiring furnished accommodation for the managing director will be subject to the following ceiling:

Sixty per cent of the salary, over and above ten per cent payable by the managing director.

Housing II: In case the accommodation is owned by the company, ten per cent of the salary of the managing director shall be deducted by the company.

Housing III : In case no accommodation is provided by the company, the managing director shall be entitled to house rent allowance subject to the ceiling laid down in Housing 1.

Explanation.-The expenditure incurred by the company on gas, electricity, water and furnishings shall be valued as per the Income-tax Rules, 1962. This shall, however, be subject to a ceiling of ten per cent of the salary of the managing director.

(ii) Medical reimbursement.-Expenses incurred for the managing director and the family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.

(iii) Leave Travel Concession.-For the managing director and his family once in a year incurred in accordance with 0 any rules specified by the company.

(iv) Club Fees.-Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fee.

(v) Personal Accident Insurance.-Premium not to exceed Rs. 4,000 per annum.

Explanation.-For the purpose of category W, 'family' means the spouse, the dependent children and dependent parents of the managing director.

**Category 'B'**

1 . Contribution to provident fund, superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-tax Act. Gratuity payable will not exceed half a month's salary for each completed year of service.

2. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

**Category 'C'**

Provision of car for use on company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the company to the managing director.

**Commission**

Remuneration by way of commission will also be allowed in addition to salary and perquisites. The amount of it, based on the net profits of the company in a particular year, shall be subject to the overall ceilings laid down in section 198 and section 309.

Notwithstanding anything herein, where, in any financial year, during the currency of tenure of the managing director the company has no profits or its profits are inadequate, the company will pay him remuneration by way of salary and perquisites specified above.

AND FURTHER RESOLVED that after having obtained all the necessary approvals and after having incorporated in the draft agreement with the managing director, all such modifications, alterations, deletions, etc. as may be laid down by the shareholders, financial institutions, banks, etc. and if acceptable to Shri…………the finalised draft of the agreement be engrossed on requisite stamp paper(s) and the common seal of the company be affixed to such stamped engrossment(s) of the agreement in the presence of any one of the directors of the company and that the director in whose presence the common seal shall be so affixed thereto do sign and execute the agreement for and on behalf of the company and that Shri...…………Company Secretary