

HOWRAH MILLS COMPANY LIMITED
“HOWRAH HOUSE”
135, FORESHORE ROAD,
HOWRAH – 711102.

TO
THE MEMBERS OF
HOWRAH MILLS COMPANY LIMITED

ABSTRACT UNDER SECTION 302 OF THE COMPANIES ACT, 1956.

The Board of Directors of the Company (“the Board”) at its meeting held on 14th May, 2012, has subject to the approval of the members at the forthcoming Annual General Meeting of the Company, appointed Mr. Sanjay Mall as the Managing Director of the Company with effect from 1st June, 2012 and has re-appointed Mr. Sitansu Banerjee as the Wholetime Director of the Company with effect from 1st April, 2012. On the recommendations of the Remuneration Committee, the Board has also approved the terms and conditions of Mr. Sanjay Mall’s appointment and Mr. Sitansu Banerjee’s re- appointment and their respective remunerations. The Company has since entered into agreements with Mr. Sanjay Mall and with Mr. Sitansu Banerjee the drafts of both were approved by the Board at the said meeting. The terms and conditions and remunerations are detailed hereinunder.

ABSTRACT OF TERMS AND CONDITIONS FOR APPOINTMENT OF MR. SANJAY MALL

Mr. Sanjay Mall has managerial and administrative experience and is skilled in export and marketing functions. He joined the Company as a Non-Executive Director on 28.01.2010 and is in the Board of several other companies.

Tenure of Appointment: For a period of three years from 1st June, 2012 till 31st May, 2015.

Remuneration:

A. Basic Salary: Rs. 1,00,000/- per month with an annual increment of Rs. 10,000/-.

B. Perquisites & Allowances:

- (i) **Ex-gratia:** One month basic salary once a year.
- (ii) **Medical benefit for self and family:** Re- imbursement of expenses actually incurred the total cost of which to the Company shall not exceed one month basic salary in a year or two months basic salary in a block of two years.
- (iii) **Personal Accident Insurance:** Premium not exceeding Rs. 2,000/- per annum on sum assured as per the Rules of the Company
- (iv) **Medi-claim Insurance:** Premium not exceeding Rs. 20,000/- per annum towards medi-claim insurance policy for self and wife and upto two dependent children as per Rules of the Company.
- (v) **Leave travel Concession:** One month basic salary once a year.
- (vi) **Car:** One fully maintained car with driver for Company’s business purpose.
- (vii) **House Furnishing & Maintenance Allowance:** Re-imbursement of expenses actually incurred upto Rs. 60,000/- per annum.
- (viii) **Club:** Re-imbursement of annual membership fees for two clubs. This will not include admission and life membership fees.

- (ix) **Leave Encashment:** Leave accumulated but not availed will be allowed to be encashed on retirement subject to a maximum of 180 days.
 - (x) **Telephone:** The Company shall bear the cost of all official calls incurred towards residential telephone and one mobile phone.
 - (xi) **Gratuity:** Gratuity payable in accordance with the Gratuity Act, 1972.
 - (xii) **Provident Fund:** Contribution to Provident Fund shall be as per the Scheme of the Company.
 - (xiii) **Leave:** On full pay and allowances but not more than one month leave for every eleven months of service.
- C. Overall Remuneration:** The aggregate of the remuneration of salary, perquisites and allowances in any financial year is within the purview of sections 198, 309 and Schedule XIII of the Companies Act, 1956 (“the Act”).
- D. Minimum Remuneration:** Where in any financial year, the Company has no profits or its profits are inadequate during the tenure of the Managing Director, the Company will continue to pay the Managing Director, remuneration by way of basic salary, perquisites and allowances as mentioned above.
- E. Other Terms and Conditions:**
- (i) As long as Mr. Mall functions as the Managing Director of the Company no sitting fees shall be paid to him for attending the meetings of the Board or any Committee thereof.
 - (ii) Mr. Mall shall devote himself exclusively to the business affairs of the Company.
 - (iii) Either party shall be entitled to terminate the agreement at any time by giving to the other party three months notice in writing or three months basic salary in lieu of notice.
 - (iv) Mr. Mall shall not divulge or disclose to others any of the secrets or confidential information of the Company during and /or after his employment with the Company.
 - (v) Mr. Mall shall not as long as he functions as the Managing Director of the Company become interested or otherwise concerned directly or indirectly in a contract or arrangement with the Company without the prior approval of the Board.
 - (vi) Mr. Mall shall comply with the directions given by the Board and shall also observe the Code of Conduct of the Company and all other Policies and Regulations framed and/or adopted by the Company from time to time.
 - (vii) Mr. Mall shall immediately cease to be the Managing Director if he ceases to hold the Office of Directorship in the Board for any reason.

Memorandum of Interest

Save and except Mr. Mall none of the other Directors of the Company is, in any way, concerned or interested in the appointment, remuneration and terms mentioned above.

**ABSTRACT OF TERMS AND CONDITIONS FOR RE-APPOINTMENT OF MR.
SITANSU BANERJEE**

Mr. Sitansu Banerjee joined as the Finance Director of the Company on 14.02.1994 and thereafter was appointed as the Wholetime Director of the Company on 01.04.2008. He has over 40 years of experience in finance, accounts and has served in India and abroad in several reputed industrial organizations and global companies in senior positions.

Tenure of Appointment: For a period of three years from 1st April, 2012 till 31st March, 2015.

Remuneration:

A. Basic Salary: Rs. 50,000/- per month with an annual increment of Rs. 5,000/-.

B. Perquisites & Allowances:

- (i) **Rent Free Accommodation:** The rent payable by the Company on hiring unfurnished accommodation will be subject to a maximum of 40% of the basic salary per month.
- (ii) **Ex-gratia:** One month basic salary once a year.
- (iii) **Medical benefit for self and family:** Re- imbursement of expenses actually incurred the total cost of which to the Company shall not exceed one month basic salary in a year or two months basic salary in a block of two years.
- (iv) **Personal Accident Insurance:** Premium not exceeding Rs. 2,000/- per annum on sum assured as per the Rules of the Company.
- (v) **Medi-claim Insurance:** Premium not exceeding Rs. 40,000/- per annum towards medi-claim insurance policy for self and wife as per the Rules of the Company.
- (vi) **Leave travel Concession:** One month basic salary once a year.
- (vii) **Car:** One fully maintained car with driver for Company's business purpose.
- (viii) **Leave Encashment:** Leave accumulated but not availed will be allowed to be encashed on retirement subject to a maximum of 180 days.
- (ix) **Telephone:** The Company shall bear the cost of all official calls incurred towards residential telephone and one mobile phone.
- (x) **Gratuity:** Gratuity payable in accordance with the Gratuity Act, 1972.
- (xi) **Leave:** On full pay and allowances but not more than one month leave for every eleven months of service.

C. Overall Remuneration: The aggregate of the remuneration of salary, perquisites and allowances in any financial year is within the purview of sections 198, 309 and Schedule XIII of the Act.

D. Minimum Remuneration: Where in any financial year, the Company has no profits or its profits are inadequate during the tenure of the Wholetime Director, the Company will continue to pay the Wholetime Director, remuneration by way of basic salary, perquisites and allowances as mentioned above.

E. Other Terms and Conditions:

- (i) As long as Mr. Banerjee functions as the Wholetime Director of the Company no sitting fees shall be paid to him for attending the meetings of the Board or any Committee thereof.
- (ii) Mr. Banerjee shall devote himself exclusively to the business affairs of the Company.

- (iii) Either party shall be entitled to terminate the agreement at any time by giving to the other party two months notice in writing or two months basic salary in lieu of notice.
- (iv) Mr. Banerjee shall not divulge or disclose to others any of the secrets or confidential information of the Company during and /or after his employment with the Company.
- (v) Mr. Banerjee shall not as long as he functions as the Wholetime Director of the Company become interested or otherwise concerned directly or indirectly in a contract or arrangement with the Company without the prior approval of the Board.
- (vi) Mr. Banerjee shall comply with the directions given by the Board and shall also observe the Code of Conduct of the Company and all other Policies and Regulations framed and/or adopted by the Company from time to time.
- (vii) Mr. Banerjee shall not be subject to retirement by rotation and he shall immediately cease to be the Wholetime Director if he ceases to hold the Office of Directorship in the Board for any reason.

Memorandum of Interest

Save and except Mr. Banerjee none of the other Directors of the Company is, in any way, concerned or interested in the appointment, remuneration and terms mentioned above.

By Order of the Board
For Howrah Mills Company Limited
Tuhinangsu Roy
Company Secretary

Place: Howrah
Dated: 15.05.2012