

NOTICE OF 4th ANNUAL GENERAL MEETING

Notice is hereby given that the 4th (Fourth) ANNUAL GENERAL MEETING of the members of Bank Note Paper Mill India Private Limited will be held on Monday, the 29th day of September 2014 at 10:00 hrs. at its Registered Office at 1st Floor, S.R. Complex, #2, Thavarekere Main Road, S.G.Palya, DRC Post, Bangalore 560 029 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014 and the Statement of Profit & Loss for the year ended on that date together with the Reports of the Directors' and the Auditors' thereon.
2. To appoint director in place of Dr. Manoranjan Dash, who retires from office on completion of term on 12.10.2014
3. To appoint Director in place of Prof U R Rao, who retires from office on completion of term on 12.10.2014
4. To appoint director in place of Shri P N Radkar, who retires from office on completion of term on 12.10.2014
5. To appoint Director in place of Shri S. Madhav Rao, who retires from office on completion of term on 12.10.2014
6. To fix the remuneration of the Statutory Auditor of the Company appointed by the Comptroller and Auditor General of India for the year 2014-15.

SPECIAL BUSINESS:

7. To approve, in compliance to the provisions of the Companies Act 2013, the payment of remuneration to Shri G.Jaganmohan Rao, Managing Director

To consider and if thought fit, to pass the following resolution, with or without modification, as special resolution:

“Resolved that pursuant to the provisions of section 197, 198, Schedule V and all other applicable provisions of the Companies Act 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification/s or re-enactment thereof for the time being in force), the consent of the members be and is hereby accorded for payment of remuneration by way of salary, perquisites and allowances to Shri G Jaganmohan Rao (holding DIN -

06743140), Managing Director of the Company as set out in explanatory statement annexed to the notice conveying this meeting”

8. To approve the leasing of land from BRBNMPL for factory premises and roof top space for barrack accommodation of CISF personnel

To consider and if thought fit, to pass the following resolution, with or without modification, as special resolution:

“Resolved that pursuant to section 188 of the Companies Act 2013 read with Companies (Meetings of Board and its power) Rules, 2014 (including any statutory modification/s or re-enactment thereof for the time being in force), and other applicable provisions, if any, consent of the members be and is hereby accorded to take on lease land admeasuring 36.5620 acres situated at Note Mudran Nagar along with 2000 sqm of roof top space available on the existing barrack building of Bharatiya Reserve Bank Note Mudran Private Limited, from a related party viz. Bharatiya Reserve Bank Note Mudran Private Limited on the following terms and conditions:

Particulars	Brief Terms	Survey No.
Area	Land admeasuring 20.047 acres at Naganahally village	318(P),319(P),320(P),321(P),325(P), 326(P), and 574(P)
	Land admeasuring 16.515 acres at Belavatha village	298(P), 93(P)
	Roof top space available on the existing barrack accommodation of Bharatiya Reserve Bank Note Mudran Private Limited admeasuring 2000 sqms	325(P)
Rent	Rs.1,00,000/- per annum with the enhancement of the lease rental at the expiry of five years.	NA
Period	30 years	NA

“RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all acts and take all steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board of Directors

Sd/-

(Pavithra. P)

Company Secretary

Date: 29.09.2014

Place: Bangalore

Note:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE TIME SCHEDULED FOR COMMENCEMENT OF THE MEETING.
2. Explanatory Statement pursuant to section 102(1) of the Companies Act 2013 with respect to the aforementioned special business is attached to this notice.
3. Consent of members is obtained for convening this meeting at shorter notice.

Explanatory Statement pursuant to section 102 of the Companies Act 2013

Item No.7

Hitherto, private companies were not regulated by the Companies Act 1956 with respect to payment of remuneration to Managing Director. Now, with new Companies Act 2013 coming into effect the payment of remuneration to Managing Director of a private limited company having no profit is also governed under the provisions of the new Act. As per the provisions of Schedule V of the Companies Act 2013, the company may pay the remuneration to managerial person not exceeding Rs. 60 lakhs plus 0.01% of the effective capital in excess of Rs. 250 crores (effective capital of the company as calculated in accordance with Schedule V is Rs. 778,92,45,405 as on 31st March 2014). Also, the aforesaid limit has to be approved by the members of the company. Your company, being in the implementation stage, is yet to earn profits and hence is governed by the provisions of section 197 and Schedule V of the Companies Act 2013. Hence this resolution.

Shri G. Jaganmohan Rao is appointed as the Managing Director of the company by the board of the directors for the period of three years with effect from 02.12.2013 the pay, allowances, perquisites and benefits of Shri G Jaganmohan Rao is as under:

Table I

Particulars	Details
Part A	
(a) Basic pay - p.m.	79,100
(b) Grade allowance - p.m.	0
(c) Dearness allowance p.m. – (variable – at present 102.45% on a+b)	81,038
d) Fixed Personal allowance p.m.	2,150
(e) Personal allowance p.m.	550
(f) Functional allowance p.m.	0
(g) Special Compensatory allowance p.m.	1500
Total (monthly)	1,64,338
Part B	
PF Contribution	12% on (a+c)
Unfurnished Residential accommodation at license fee and recovery – according to status	Provided by company
Reimbursement/payment of perquisite tax –.	at actuals
Part C – Other reimbursements/perquisites/benefits	
a. Reimbursement of fuel cost – paid in terms of ltrs of petrol	300 ltrs at floating rate
b. Driver salary (3% increment p.a.)	10,000
c. Repairs and Maintenance	2,500

d. Motor Car (Corolla Alties)	Provided by the company (with buyback facility)
e. Car – private use	Car facility allowed for private purposes for journey upto 1000 kms. Per month on payment of Rs.250 p.m. unavailed portion of monthly limit of 1000 kms may be carried over to subsequent months so that the total distance travelled for personal purposes in a year upto 12000 kms may be against recovery of Rs.250/- pm. For journey undertaken in excess of 12000 km. in a year the recovery is made at Re.1/- per km
f. Attendant cum Cook charges	7,000
g. Residential Office Allowance	15,000
h. Furnishing of residence – once in 5 years	4,00,000
i. Reimbursement of medical expenses on declaration – p.a.	5,500 For self and family members as admissible to the highest executive of the Reserve bank. Cost of indoor hospitalization for self and family member – at actuals – as per RBI scheme.
j. Book grant – p.a.	8,000
k. Newspapers and periodicals – p.a.	No restrictions
l. Reimbursement of official Entertainment expenses – p.a.	No Fixed limit
m. Reimbursement for briefcase/leather bag – once in 2 years	No Fixed limit
n. Reimbursement for Spectacles – once in two years	Nil
o. Residential telephone – Limit of calls per month	No limit
p. Mobile phone bill including internet and blackberry – per quarter	No limit
q. Reimbursement of purchase of mobile handset – once in two year	Provided by company
r. Club membership	Corporate membership provided by company
s. Corporate credit card	Provided by company
t. Reimbursement of electricity bill – half yearly	Reimbursed as admissible to ED RBI
u. Provision of one AC at residential office	Provided by company
v. Personal computer/fax at residence	Provided by company

w. LFC once in two years by air for self and family either for hometown or other places up to a distance of 4500 km each way	Executive class
x. Leave	
i. Casual leave – in a year	15 days
ii. Earned leave – p.a.	1 day for 11 days of duty with encashment facility
iii. Sick leave – p.a. 1 day	1 day on half pay for every completed month of service
y. Gratuity	@ one month Basic pay + DA for each completed years of service or part in excess of 6 months
z. Travelling and Halting allowance on tour	
i. Travel	By executive class for domestic and club class for foreign tour
ii. Halting allowance	
- For domestic travel	Actual hotel charges for single AC room + Rs.1200 per diem
- For foreign travel	\$ 500 per diem rounded to next full day
Part D – Benefits immediately after completion of the term	
a. Retirement fare concession	One single fare for self and dependent member by executive class to the place of domicile or settlement whichever is lower
b. Packing etc charges	As admissible to executive director of RBI
c. Residential accommodation	2 months @ normal license fee. For the third month, rental charges as per the ceiling fixed by RBI for Grade F
d. Car facility – to be provided for two months	@ 8 hours and 80 km per day
e. Telephone facility – upto 2 months – only rental charges	Rental charges borne by the company. Thereafter rental charges to be borne by the employee
f. Buy back facility	
i. Computer, cordless etc	At book value or 10% of the cost whichever is higher
ii. Furniture including AC	At book value or 10% of the cost whichever is higher
iii. Motor Car	At the book value or Rs. 50,000/- whichever is higher

Note: Revision, if any, for above facilities/benefits effected by Reserve Bank of India would be admissible.

Other details as required under Schedule V are hereunder:

I General Information	
Nature of Industry	Manufacturers of Bank Note Papers
Date or expected date of commencement of commercial production	01.04.2015
Financial performance based on given indicators – as on 31.03.2014	Authorised Capital – Rs.1000 crore subscribed and Paid up capital – Rs.600 crore. Share application money - Nil Reserves and Surplus – Rs.3,27,12,031/- Long term borrowings – Rs.1,82,19,57,436/- Deposits – Nil Profit/Loss for the year – Rs.3,25,844/-
Foreign investments or collaborations, if any.	Nil
II. Information about the appointee:	
Background details	Ex-PCGM, Reserve Bank of India, Central Office, Mumbai.
Past remuneration	Rs. 159,301/- per month (Basic pay+ Grade allowance+ Dearness allowance+ Fixed Personal allowance+ Personal allowance+ Functional allowance+ Special Compensatory allowance) along with other perquisites and benefits as applicable to Grade F officers of Reserve Bank of India.
Recognition or awards	He has been part of several internal and external Working Groups and Committees in areas related to central banking.
Job profile and his suitability	To carry out all duties and responsibilities of Managing Director of bank note paper mill. He was associated with Reserve Bank of India in various cadres and is having vast experience in currency management and banking supervision.
Remuneration proposed	As mentioned in Table I above. The remuneration is more or less equivalent to the remuneration drawn by the Executive Director of Reserve Bank of India.
Comparative remuneration, profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Comparative profile - The Managing Director of Bharatiya Reserve Bank Note Mudran Private Limited, wholly owned subsidiary of Reserve Bank of India. Comparative remuneration – Remuneration drawn by Managing Director of Bharatiya Reserve Bank Note Mudran Private Limited which is equivalent to Executive Director of Reserve Bank of India.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial	Nil

personnel, if any.	
III. Other information:	
Reasons of loss or inadequate profits	Project is still under implementation stage
Steps taken or proposed to be taken for improvement	Not Applicable
Expected increase in productivity and profits in measurable terms	Not Applicable

None of the directors, except Shri G Jaganmohan Rao or key managerial personnel are interested in the said resolution.

Item No.8

With the Companies Act 2013 coming into effect, the said transaction of leasing of immovable property is covered under the provisions of section 2 (76) and section 188 read with Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014.

As per the provisions of section 2 (76) of the Companies Act 2013, for any company, another private limited company will be treated as related party if it is having a common director or member. Accordingly, the company and BRBNMPL will be considered as related party due to the presence of common director – Prof. U R Rao. (Public company will be treated as related party only if common director is also a member holding 2% or more of its paid up capital of that company).

As per the provisions of section 188 read with Rule 15 of the said rules, leasing of any property for an amount exceeding 10% of the net profits or 10% of the turnover of the company or rupees one hundred crore (whichever is lower) requires the approval of the shareholder via special resolution, if it is not at arms-length basis. In this case, arms-length price is not determinable as the land allotted by KIADB to BRBNMPL is only for industrial use. Any surplus of unutilized land is to be returned to KIADB. A special permission has been obtained from KIADB to utilize the surplus land available in the campus of BRBNMPL on long term lease basis. By virtue of this specific permissions obtained for establishing the paper mill, lease rental fixed by the Board of BRBNMPL is nominal and there being no comparable market rate, arms - length price cannot be determined. In any case the company is not paying higher rent than what otherwise would have been paid for a private limited. Hence, the approval of the members is sought via special resolution.

None of directors, except Prof. U R Rao, or key managerial personnel are interested in the resolution.

By order of the Board
For Bank Note Paper Mill India Private Limited
Sd/-
Pavithra.P
(Company Secretary)

Date: 29.09.2014
Place: Bangalore