

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 30TH ANNUAL GENERAL MEETING OF THE MEMBERS OF EICHER MOTORS LIMITED WILL BE HELD AT 10.00 A.M. ON THURSDAY, MARCH 22, 2012 AT LTG AUDITORIUM, COPERNICUS MARG, NEW DELHI-110 001, TO TRANSACT THE FOLLOWING BUSINESS:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at December 31, 2011 and Profit & Loss Account for the year ended on that date together with the Auditors' and Directors' Report thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Priya Brat, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Statutory Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors of the Company to fix their remuneration.

The Company has received a confirmation from M/s Deloitte Haskins & Sells, Chartered Accountants, the retiring Statutory Auditors, that their reappointment if made, will be in accordance with the limits specified in Sub Section (1B) of Section 224 of the Companies Act, 1956.

Special Business

5. To consider and, if thought fit, to pass the following resolution with or without modification (s) as a Special resolution:
"RESOLVED THAT pursuant to Section 31 and other applicable provision(s), if any, of the Companies Act, 1956, including any statutory modification or re-enactment thereof, for the time being in force, the Articles of Association of the Company be amended as under:

a) Article 26

In the Article 26.1, the sentence starting from "In case Alternate Director(s) is/are to be appointed by Mitsubishi Motors Corporation and/or Mitsubishi Corporation, the Board shall appoint only such persons who have been approved either by Mitsubishi Corporation and/or Mitsubishi Motors Corporation, as the case may be" shall stand deleted.

b) Article 28 (a), 28(b), 28(c) & 28(d) shall stand deleted.

c) Article 38

In the Article 38, the sentence starting from "who would be a nominee of Eicher Goodearth Limited provided in Article 28 of these Articles" shall stand deleted.

d) Article 40.1 (h)

In the Article 40.1 (h), the section appearing as "372" in second line be substituted as "372A".

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby severally authorised to take such steps as it may consider necessary or expedient to give effect to the aforesaid resolution."

6. To consider and, if thought fit, to pass the following resolution with or without modification (s) as an Ordinary resolution:
"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereto including any statutory modification or re-enactment thereof and such other approvals, permissions and sanctions, as may be required, consent of the shareholders of the Company be and is hereby accorded to revise the terms and conditions of appointment of Mr. Siddhartha Lal, Managing Director of the Company, as set out herein below w.e.f. May 1, 2012 till the expiry of his tenure as the Managing Director of the Company i.e. till April 30, 2016:

Revised terms & conditions of appointment of Mr. Siddhartha Lal

Subject to the control and supervision of the Board of Directors, Mr. Siddhartha Lal, Managing Director shall be in charge of the management of the affairs of the Company and he shall perform such duties and exercise such powers as may be entrusted to him from time to time by the Board of Directors except such matters which are specifically to be done by the Board of Directors or the Company Secretary under the Articles of Association of the Company or under the Companies Act, 1956 and the rules thereunder.

The appointment shall be terminable by either party by giving 3 months written notice provided that the Company shall have the option to pay salary in lieu of notice for the full period of 3 months or for such period by which such notice falls short of 3 months.

I. Salary and allowances:

- a) Basic Salary: Rs. 50 lacs (Rupees Fifty lacs only) per annum with such annual revision as may be decided by the Board of Directors from time to time.

- b) Flexible Payment Allowance (FPA): Rs. 100 lacs (Rupees One Hundred lacs only) per annum with such annual revision as may be decided by the Board of Directors from time to time.

II. Perquisites: In addition to the above Salary & Allowances, he shall be entitled to the following perquisites:

- i) Residential Accommodation: Managing Director shall be provided free furnished residential accommodation with free use of all the facilities and amenities provided by the Company.
- ii) Medical Reimbursement: Reimbursement of actual medical expenses incurred by the Managing Director and his family.
- iii) Club Fees: Actual fees of clubs will be paid by the Company.
- iv) Personal Accident Insurance: Actual premium to be paid by the Company.
- v) Car: Facility of two cars with drivers.
- vi) Telephone: Free telephone facility at residence including mobile phone.
- vii) Contribution to provident and superannuation funds: Company's contribution to Provident and Superannuation Funds will be as per the rules of the Company.
- viii) Gratuity: Not exceeding half months salary for each completed year of service.
- ix) Reimbursement of entertainment and all other expenses incurred for the business of the Company as per rules of the Company.
- x) Other allowance/benefits/perquisites: Any other allowance, benefits and perquisites as per the Rules applicable to Senior Executives of the Company and/or which may be applicable in the future and/or any other allowance, benefit, perquisite as the Board of Directors may decide from time to time.

III. Leave Travel Concession: For the Managing Director and his family once in a year incurred in accordance with any rules specified by the Company.

Explanation:

- i) For the aforesaid purposes "Family" means the spouse, the dependent children and dependent parents of the Managing Director.
- ii) Perquisites shall be evaluated as per Income Tax Rules, 1962, wherever applicable and in the absence of any such rules, perquisites shall be valued at actual cost.

IV. Commission:

As the Board of Directors of the Company and/or a Committee of the Board may at their sole discretion approve/decide, from time to time payment of commission provided that the remuneration paid as Basic Salary, Flexible Payment Allowance, Perquisites and Commission shall not exceed 5% of the net profit computed in the manner laid down in Section 198 of the Companies Act, 1956 as amended from time to time.

V. The aggregate of salary, allowances and perquisites including commission in any financial year shall not exceed the limit prescribed from time to time under sections 198, 309, 310 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956 as may be for the time being in force.

VI. Minimum Remuneration:

In the event of absence or inadequacy of profits in any financial year, the aggregate of salary, allowances, benefits and perquisites shall not exceed the applicable (maximum) ceiling limits prescribed under Section II of Part II of Schedule XIII of the Companies Act, 1956 or such other limits as may be prescribed by the Government from time to time.

VII. The Company shall not pay any commission to Mr. Siddhartha Lal in the event of absence/inadequacy of profits.

RESOLVED FURTHER THAT the above said terms and conditions of the appointment may be altered and varied from time to time by the Board as it may, in its discretion deem fit within the maximum amount payable to the Managing Director in accordance with the provisions of the Companies Act, 1956 or any amendments made therein or with the approval of Central Government, if required.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby severally authorised to take such steps as it may consider necessary or expedient to give effect to the aforesaid resolution."

Place: Gurgaon
Date: February 11, 2012

By order of the Board
Vinit Kumar
Company Secretary

Notes:

1. The explanatory statement pursuant to section 173(2) of the Companies Act, 1956, which sets out details relating to Special Business to be transacted at the meeting, is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE (ON A POLL ONLY) INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. THE SAME SHOULD BE DULY SIGNED AND STAMPED IN ORDER TO BE EFFECTIVE.**
3. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, March 15, 2012 to Thursday, March 22, 2012 (both days inclusive) in terms of Section 154 of the Companies Act, 1956.
4. The payment of Dividend as recommended by the Board of Directors, and if, approved by the members at the forthcoming Annual General Meeting, will be made on March 26, 2012 as under:
 - a) To all those beneficial owners holding shares in electronic form as per the beneficial ownership data as may be made available to the Company by National Securities Depository Limited (NSDL) and the Central Depository (India) Limited (CDSL) as on the closure of the business hours on March 14, 2012 and,
 - b) To all those shareholders holding shares in physical form, after giving effect to all valid share transfers lodged with the Company before the closing hours on March 14, 2012.
5. Pursuant to provisions of Section 205A(5) of the Companies Act, 1956, the amount of dividend which remains unpaid/unclaimed for a period of 7 years is transferred to the "Investor Education and Protection Fund" (IEPF), constituted by the Central Government and member(s) would not be able to claim any amount of dividend so transferred to the IEPF. As such, member(s) who have not yet encashed his/their dividend warrant(s) is/are requested in his/their own interest to write to the Company immediately for claiming outstanding dividend declared by the Company during the year 2005 and onward.
6. As per the Circular No. MRD/Dop/Cir-05/2009 dated May 20, 2009 issued by Securities and Exchange Board of India (SEBI) it is mandatory to quote PAN for transfer of shares in physical form. Therefore, the transferee (s) is required to furnish a copy of their PAN card to the Company/Registrar and Share Transfer Agent of the Company for registration of transfer of shares.
7. Shareholders holding shares in physical form, are requested to intimate their change in address/Bank Mandate/National Electronic Clearing Service (NECS) details, if any, to MCS Limited, Registrar and Share Transfer Agent, F-65, Okhla Industrial Area, Phase I, New Delhi 110 020. Beneficial owners holding shares in electronic form are requested to intimate their change in address/ Bank Mandate/National Electronic Clearing Service (NECS) details, if any, to their respective Depository Participants (DP) in order to get the same registered before March 14, 2012.
8. Members are requested to quote their folio numbers/Client ID No. and contact details in all correspondence with the Company/ Registrar and Share Transfer Agent.
9. Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
10. Pursuant to provisions of Section 109A of the Companies Act, 1956, every member or joint holders holding shares in physical form may nominate, in the prescribed manner, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or the joint holders and register the same with MCS Limited, Registrar and Share Transfer Agent. Members or joint holders holding shares in demat form may contact their respective DP for availing this facility.
11. The Register of Directors' shareholding, maintained under Section 307 of the Companies Act, 1956 will be made available for inspection by the Members on all working days during business hours during the period beginning fourteen days before the date of Annual General Meeting and ending three days after its conclusion.
12. For faster communication and for supporting in full measure, a green initiative taken by the Ministry of Corporate Affairs, allowing services of notice/documents including Annual Report through e-mail, the shareholders holding shares in electronic form are requested to kindly register/update their e-mail addresses with their respective depository participants. The shareholders holding shares in physical form are requested to register/update their email addresses with MCS Limited, Registrar and Share Transfer Agent of the Company.
13. In case you intend to raise any queries in the forthcoming Annual General Meeting, you are requested to please forward the same at least 10 days before the date of the Meeting to Mr. Vinit Kumar, Company Secretary at the following address so that the same may be attended appropriately to your entire satisfaction.

By order of the Board

Vinit Kumar

Company Secretary

Registered office:

3rd Floor-Select Citywalk

A-3 District Centre, Saket, New Delhi – 110 017

Tel. No.: 011-29563722

Website: www.eicher.in

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 5

The Company (Eicher Motors Limited) was incorporated in 1982 as joint venture amongst erstwhile Eicher Goodearth Limited, Mitsubishi Motors Corporation & Mitsubishi Corporation. Since the said joint venture is no longer in existence, the Board of Directors has proposed to modify the Articles of Association of the Company by way of addition(s)/deletion(s) in the Articles of Association of the Company.

In view of the above, the resolution as set out in Item No.5 of this Notice is commended for your approval.

None of the Directors of the Company is concerned or interested in the above resolution.

Item No. 6

Mr. Siddhartha Lal was reappointed as the Managing Director of the Company w.e.f. May 1, 2011 for a period of five years and approved by shareholders of the Company at the Annual General Meeting held on March 18, 2011.

The Board of Directors of the Company at its Board Meeting held on February 11, 2012 has, pursuant to sections 198, 309, 310 and 311 read with Schedule XIII of the Companies Act, 1956 and amendment(s) thereof and other applicable provisions of the Companies Act, 1956 and subject to shareholders' approval and other statutory approvals as may be necessary, revised the terms and conditions of appointment of Mr. Siddhartha Lal, Managing Director of the Company w.e.f. May 1, 2012 till the expiry of his tenure of five years i.e. up to April 30, 2016 within the ceiling of maximum remuneration permitted under the Companies Act, 1956.

The revised terms and conditions of appointment of Mr. Siddhartha Lal being Managing Director are set out in the proposed resolution.

The explanatory statement together with accompanying notice should be treated as an abstract of revision of the terms and conditions of appointment Managing Director of the Company and Memorandum of concern or interest of Director as required under the provisions of section 302 of the Companies Act, 1956.

The resolution as set out in Item No.6 of this Notice is accordingly commended for your approval.

None of the Directors of the Company except Mr. Siddhartha Lal, being the Managing Director of the Company is concerned or interested in the above resolution.

Additional information as per Clause 49 of the Listing Agreement

A brief resume of Mr. Priya Brat, Director liable to retire by rotation and is eligible for reappointment at the Annual General Meeting is given below:

Mr. Priya Brat is an Independent and Non-Executive Director on the Board of Directors of Eicher Motors Ltd. w.e.f. July 23, 2001.

Mr. Priya Brat is MSc. (Hons) in Physics from Punjab University, Diploma in Banking, Finance and Accountancy from the Indian Institute of Bankers, Mumbai and Diploma in International Finance from the Development Management Institute, Geneva.

Since 1959, he was associated with State Bank of India (SBI) in various capacities and retired as Dy. Managing Director of SBI in 1995. During his tenure with SBI, he also served as Director on the Boards of State Bank of Patiala, State Bank of Bikaner & Jaipur, State Bank of Hyderabad, State Bank of Indore, State Bank of Mysore, State Bank of Travancore and State Bank of Saurashtra and also on the Boards of MP State Development Corporation, MP State Electronic Development Corporation and OPTEL in Madhya Pradesh. Subsequent to his retirement from SBI, he served as President (Finance) at Indo Rama Synthetics (India) Ltd. (1996-1999).

Presently, Mr. Priya Brat is Chairman of the Shareholders' and Investors' Grievance Committee and a member of the Audit Committee and Compensation Committee of Eicher Motors Ltd.

He is also on the Boards of Dhampur Sugar Mills Ltd., Dhanuka Agritech Ltd. and South Asian Enterprises Ltd.

He is a member of the Audit Committee of South Asian Enterprises Ltd. and a member of the Audit Committee and Remuneration Committee and Shareholders' and Investors' Grievance Committee of Dhampur Sugar Mills Ltd. He is also Chairman of Audit Committee and Remuneration Committee of Dhanuka Agritech Ltd.

Mr. Priya Brat does not hold any share of the Company.