



Regd. Office:

B-8, M.I.D.C., Industrial Estate, Waluj Dist., Aurangabad - 431 136.

R&D, Training Centre and Corp. Office:

142-48, Swami Vivekananda Road, Jogeshwari (West), Mumbai - 400 102.

NOTICE

NOTICE is hereby given that the Seventy First annual general meeting of the shareholders of the Company will be held on Saturday, September 24, 2011 at 10.00 a.m. at WelcomHotel Rama International, R-3, Chikalthana, Aurangabad - 431 210, Maharashtra, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited balance sheet as at March 31, 2011 and the profit and loss account for the year ended on that date and the reports of the directors and auditors thereon.
2. To declare dividend, if any, for the year 2010-2011.
3. To appoint a director in place of Mr. Ameya A. Chandavarkar, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Dr. Nagam H. Athreya, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint the statutory auditors of the Company to hold office from the conclusion of this annual general meeting till the conclusion of the next annual general meeting and to fix their remuneration.

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a special resolution:

“RESOLVED THAT pursuant to the provisions of Schedule XIII and Sections 198, 269, 309, 310, 311, 314 and other applicable provisions, if any, of the Companies Act, 1956, approval of the shareholders of the Company, be and is hereby accorded for the appointment of Mr. Ashok A. Chandavarkar, as a wholetime director of the Company for a period of five years with effect from March 01, 2011 on the following terms and conditions, remuneration and perquisites, upto a maximum as may be permitted under Schedule XIII of the Companies Act, 1956 or any modification(s) or re-enactment(s) thereof as in force for the period covered under the agreement entered into by the Company with Mr. Ashok A. Chandavarkar or on the basis of such other law, notification as may be permissible or applicable:

REMUNERATION:

- a. **Salary:** The salary of the said Mr. Chandavarkar shall be as under -

- March 01, 2011 to March 31, 2011 - Rs.1,54,750/- p.m.
- April 01, 2011 onwards the salary shall be Rs.1,62,250/- p.m. commencing from April 01, 2011 with annual increment of Rs.7,500/- p.m. rising upto Rs.1,92,250 p.m. in the maximum. Increments every year, for the term, will be effective from April.

- b. **Commission** : In addition to salary and perquisites, commission not exceeding 0.40% of the net profits of the Company in a financial year, computed in the manner laid down in Section 309(5) of the Companies Act, 1956 and subject to the overall ceilings laid-down under Sections 198 and 309 of the Companies Act, 1956.
- c. **Perquisites** : Perquisites referred to in Category 'A', 'B' and 'C' below:

CATEGORY 'A':

- i. **Accommodation:** Expenditure on hiring unfurnished accommodation for Mr. Chandavarkar, shall be subject to a ceiling of 60% of his salary over and above 10% payable by Mr. Chandavarkar. However, if the Company does not provide Mr. Chandavarkar residential accommodation, Mr. Chandavarkar is entitled to House Rent Allowance of 60% of his salary. Where the accommodation in a Company-owned house is provided, Mr. Chandavarkar, will pay to the Company 10% of his salary. The expenditure incurred by the Company on gas, electricity, water and furnishings to be evaluated as per the Income Tax Rules 1962, subject to a ceiling of 10% of his salary.
- ii. **Medical Benefits:** Medical expenses incurred for self and family, subject to a ceiling of one month's salary in a year or three month's salary in a block period of three years.
- iii. **Leave Travel Concession:** Once in a year, for self and family, as per Rules applicable to other managers of the Company.
- iv. **Club Fees:** Reimbursement of club fees, subject to a maximum of two clubs, excluding life membership and admission fees.
- v. **Personal Accident Insurance:** Restricted to a premium not exceeding Rs. 4,000/- per annum.
- vi. **Health Mediclaim Insurance:** The health mediclaim insurance shall be payable to the said Mr. Chandavarkar as per the rules of the Company.

CATEGORY 'B':

- i. **Contribution to Provident Fund:** The Company shall pay an amount to the provident fund as applicable to the senior officers of the Company, but not exceeding 12% of the salary or such other limits prescribed by the Government.
- ii. **Contribution towards Superannuation Fund:** The Company's contribution towards superannuation fund shall be an amount equivalent to 15% of the salary, applicable to the other senior officers of the Company.
- iii. **Contribution to Provident Fund and Superannuation Fund:** Contribution to provident fund and superannuation 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.
- iv. **Gratuity:** Gratuity payable shall not exceed half month's salary for each completed year of service, subject to ceiling as per the Payment of Gratuity Act, 1972.
- v. **Leave Encashment:** Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.
- vi. **Bonus and Other Benefits:** In accordance with the Company's rules and regulations in force from time to time.

CATEGORY 'C':

- i. **Car and Telephone:** Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls and use of car for private purpose shall be billed by the Company to the said Mr. Chandavarkar.

- ii. **Earned / Privilege Leave:** The said Mr. Chandavarkar shall be entitled to earned / privilege leave on full pay and allowances as per Company's rules but not more than one month's leave for every eleven month's of service. Leave accumulated will be allowed to be encashed on retirement / resignation / death, subject to a ceiling of eight month's salary or as permitted under the Income Tax Laws applicable at that time, whichever is lower.
- iii. **Reimbursement of Entertainment Expenses:** The said Mr. Chandavarkar, shall be entitled to reimbursement of expenses actually and properly incurred for the business of the Company as well as other expenses incurred by him in the performance of duties on behalf of the Company.

RESOLVED FURTHER THAT where in any financial year, during the currency of tenure of the wholetime director, the Company has no profits or its profits are inadequate, the Company shall pay him remuneration by way of salary and perquisites not exceeding the limits as prescribed under Schedule XIII of the Companies Act, 1956, or any modification or re-enactment thereof.

RESOLVED FURTHER THAT the board of directors of the Company be and is hereby empowered to modify the terms and conditions of the appointment of the said Mr. Ashok A. Chandavarkar, as a wholetime director, subject to the conditions that such modification complies with relevant Sections of the Companies Act, 1956 and Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT the agreement entered into by the Company with Mr. Ashok A. Chandavarkar, with respect to the above terms and conditions be and is hereby approved."

By order of the board

Place : Mumbai
Date : May 26, 2011

SHALINI KAMATH
Company Secretary

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

Item No.6 :

Mr. Ashok A. Chandavarkar was appointed as a wholetime director of the Company for a period of five years with effect from March 01, 2006, at the annual general meeting of the Company, held on September 16, 2006. This term has come to an end on February 28, 2011. The board of directors, vide a circular resolution dated February 28, 2011, have re-appointed Mr. Ashok A. Chandavarkar, as a wholetime director of the Company for a further period of five years with effect from March 01, 2011, subject to the approval of the shareholders, on such terms and conditions as laid out in the resolution mentioned in item No. 6 above.

Mr. Mohan A. Chandavarkar, Mr. Nandan M. Chandavarkar and Mr. Ameya A. Chandavarkar, being related to Mr. Ashok A. Chandavarkar and Mr. Ashok A. Chandavarkar himself are concerned or deemed to be interested in this resolution.

The board recommends passing of the resolution for the approval of members.

By order of the board

Place : Mumbai
Date : May 26, 2011

SHALINI KAMATH
Company Secretary

NOTES:

1. The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of special business as set out above, is annexed hereto. All the documents referred to in the notice and explanatory statement are open for inspection at the registered office of the Company at B-8, MIDC, Industrial Estate, Waluj Dist., Aurangabad - 431 136 between 10.00 a.m. to 12.00 noon on all days except Fridays and holidays, prior to the date of the meeting and at the venue of the annual general meeting during the meeting hours.

2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON HIS BEHALF ON A POLL ONLY. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A Proxy form, in order to be effective, must be deposited at the registered office of the Company not less than forty eight hours before the commencement of the aforesaid meeting.

3. The register of members and share transfer books of the Company will remain closed from September 15, 2011 to September 24, 2011 (both days inclusive) for the purpose of annual general meeting and dividend, if any, declared by the shareholders at the ensuing meeting.

4. Members are requested to:

a. notify any change in their address to the Registrar and Share Transfer Agents, Sharex Dynamic (India) Private Limited, Unit-1, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai - 400 072. Tel.:(022) 2851 5606, 2851 5644, Fax.:(022) 2851 2885, E-mail D.: sharexindia@vsnl.com

b. bring the attendance slips along with the copies of the annual report to the meeting.

5. In compliance with Sections 205A & 205C of the Companies Act, 1956, unpaid/unclaimed dividend upto unpaid/unclaimed interim dividend for the year 2003 - 2004, has been transferred to the "Investor Education and Protection Fund" established by the Central Government. Members shall not be able to register their claim in respect of their unencashed dividend with regard to the said dividends. Unclaimed dividends for all the subsequent years will be transferred to the "Investor Education and Protection Fund" according to the statutory stipulations. Members are requested to contact the Company, in respect of their outstanding dividends for the succeeding years.

6. After the sub division of the Company's shares of Rs. 10/- each into shares of Re. 1/- each in the year 2002, the Company sent circulars to all shareholders holding Rs. 10/- shares in physical form to exchange these for Re. 1/- share certificates. Shareholders who have not exchanged their old share certificates of Rs. 10/- (which is no longer tradable) are requested to forward the same at the Company's Registrar and Share Transfer Agents address given under 4(a) of this notice alongwith a request signed by all holders.

7. A brief profile of the directors seeking appointment/re-appointment/retire by rotation, since the last annual general meeting, as required by clause 49 IV (G) of the listing agreement is given in the Corporate Governance report.

By order of the board

Place : Mumbai
Date : May 26, 2011

SHALINI KAMATH
Company Secretary