

Aban Offshore Limited

Annual Report 2011-12



Contents

Introduction	02	AOL Group holding structure	16	Managing Director's review	18
Strengths	20	Management discussion and analysis	22	De-risking our business	27
5 Years Financial Highlights	121				

Disclaimer

In this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



"When I dream alone it remains as a dream,
but when we dream together it is the beginning of reality."

– M. A. Abraham, 1939 - 2004

CORPORATE INFORMATION

BOARD OF DIRECTORS

V. S. Rao	- Chairman (upto 25.01.2012)
P. Murari	- Vice Chairman
Reji Abraham	- Managing Director
K. Bharathan	- Director
K. M. Jayarao	- Nominee Director of ICICI Bank
Satish chandra Gupta	- Director (upto 8.11.2011)
P. Venkateswaran	- Deputy Managing Director
C. P. Gopalkrishnan	- Deputy Managing Director & Secretary

AUDIT COMMITTEE

V. S. Rao	- Chairman (upto 25.01.2012)
P. Murari	- Chairman (from 31.01.2012)
K. Bharathan	- Member
K. M. Jayarao	- Member (from 31.01.2012)
P. Venkateswaran	- Member (from 31.01.2012)

SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

K. Bharathan	- Chairman
P. Venkateswaran	- Member
C.P. Gopalkrishnan	- Member

COMPENSATION COMMITTEE

V. S. Rao	- Chairman (Upto 25.01.2012)
P. Murari	- Chairman (from 31.01.2012)
K. Bharathan	- Member
Reji Abraham	- Member

REMUNERATION COMMITTEE (CONSTITUTED ON 31.01.2012)

P. Murari	- Chairman
K. Bharathan	- Member
K. M. Jayarao	- Member

AUDITORS

FORD, RHODES, PARKS & CO.,
Chartered Accountants
Paruvatham
No.2, 56th Street,
Off: 7th Avenue, Ashok Nagar
Chennai – 600 083

REGISTERED OFFICE

"Janpriya Crest"
113 Pantheon Road
Egmore
Chennai 600 008.
Website :www.abanoffshore.com

BANKERS & FINANCIAL INSTITUTIONS

AXIS BANK LIMITED
BANK OF BARODA
BANK OF INDIA
CANARA BANK
CENTRAL BANK OF INDIA
CORPORATION BANK
DBS BANK LTD
DnB NOR BANK ASA
EXPORT IMPORT BANK OF INDIA
ICICI BANK LIMITED
IDBI BANK LTD
INDIAN BANK
INDIAN OVERSEAS BANK
LIFE INSURANCE CORPORATION OF INDIA
ORIENTAL BANK OF COMMERCE
PUNJAB NATIONAL BANK
STATE BANK OF HYDERABAD
STATE BANK OF INDIA
STATE BANK OF MYSORE
STATE BANK OF TRAVANCORE
SYNDICATE BANK
THE LAKSHMI VILAS BANK LTD
UNION BANK OF INDIA
UCO BANK

REGISTRAR AND SHARE TRANSFER AGENT

CAMEO CORPORATE SERVICES LIMITED
"Subramanian Building"
No.1, Club House Road,
Chennai – 600 002



Aban Offshore Limited

Registered Office

'Janpriya Crest' 113 Pantheon Road, Egmore, Chennai 600 008.

NOTICE TO MEMBERS

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the Members of **ABAN OFFSHORE LIMITED** will be held on Friday, the 21st September 2012 at 10.15 A.M at Narada Gana Sabha Trust (Sathguru Gnanananda Hall), No.314 (old No.254) T.T.K. Road, Chennai – 600 018 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2012 and the Profit and Loss Account for the year ended as on that date, together with the reports of the Board of Directors and Auditors thereon.
2. To consider and declare a dividend @ 8% p.a on the paid up Non Convertible Cumulative Redeemable Preference Share capital of the Company for the year ended 31st March 2012.
3. To consider and declare pro-rata dividend @ 9% p.a upto 29th December, 2011 and pro-rata dividend @ 10% p.a from 30th December, 2011 on Non Convertible Cumulative Redeemable Preference Shares for the year ended 31st March 2012.
4. To consider and declare pro-rata dividend @ 9% p.a upto 28th February, 2012 and pro-rata dividend @ 10% p.a from 1st March 2012 on Non Convertible Cumulative Redeemable Preference Shares for the year ended 31st March 2012.
5. To consider and declare pro-rata dividend @ 9% p.a upto 30th March, 2012 and pro-rata dividend @ 10% p.a for one day (i.e) 31st March 2012 on Non Convertible Cumulative Redeemable Preference Shares for the year ended 31st March 2012.
6. To consider and declare a dividend @9.25% p.a. on Non Convertible Cumulative Redeemable Preference Shares for the year ended 31st March 2012
7. To consider and declare a dividend on Equity Shares for the year ended 31st March 2012
8. To appoint a Director in place of Mr. P. Murari who retires by rotation and being eligible offers himself for re-appointment.
9. To appoint a Director in place of Mr. K.Bharathan who retires by rotation and being eligible offers himself for re-appointment.

10. To consider and if thought fit to pass with or without modification(s) the following resolution as a **SPECIAL RESOLUTION**

"RESOLVED THAT M/s. Ford, Rhodes, Parks & Co., Chartered Accountants, Chennai be and are hereby re appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting to conduct the audit on a remuneration as may be paid on a progressive billing basis to be agreed between the Auditor and the Board or any committee thereof."

SPECIAL BUSINESS

11. To consider and if thought fit to pass with or without modification(s) the following resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT in partial modification of the resolution passed earlier and in accordance with the provisions of Sections 198, 269, 309 and other applicable provisions, if any of the Companies Act, 1956, read with Schedule XIII to the Act and subject to approval of Central Government, Mr.P.Venkateswaran Deputy Managing Director be paid the following revised remuneration for the a period of three years effective 01.04.2012

1. Basic Salary - Rs.8,00,000/-per month.
2. House Rent allowance - Rs.4,80,000/- per month
3. Gas, Electricity, water or reimbursement of expenses in lieu thereof shall be in accordance with the schemes and rules of the Company.
4. Medical Reimbursement - Reimbursement of expenses incurred for Self and family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.
5. Leave Travel Concession - Reimbursement of expenditure incurred for self and family once a year subject to a maximum of one month's salary.
6. Club Fees - Actual fees for a maximum of two clubs subject to a maximum of Rs.20,000/- per annum. No admission and life membership fee will be paid.

7. Personal Accident Insurance and other term insurance
- The Premium shall be paid as per the rules of the Company.
8. Contribution to Provident Fund and Superannuation Fund shall be paid as per the rules of the Company and shall not be included in the Computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
9. Gratuity shall not exceed half a month's salary for each completed year of service.

Commission

The Deputy Managing Director shall be paid Commission not exceeding 0.50 % of the net profits of the Company, as may be decided by the Board or Committee thereof from time to time subject to the overall ceiling laid down under the Sections 198 and 309 of the Companies Act, 1956.

The Remuneration Committee be and is hereby authorized in its absolute discretion and from time to time to fix within the range stated above, the remuneration payable to Mr P Venkateswaran.

Minimum Remuneration

Notwithstanding anything stated herein, where in any financial year, Company has no profits or its profits are inadequate, the Company shall pay the above remuneration as minimum remuneration.

- 12 To consider and if thought fit to pass with or without modification(s) the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT in partial modification of the resolution passed earlier and in accordance with the provisions of Sections 198, 269, 309 and other applicable provisions, if any of the Companies Act, 1956, read with Schedule XIII to the Act and subject to approval of Central Government, Mr.C.P.Gopalkrishnan Deputy Managing Director be paid the following revised remuneration for the a period of three years effective 01.04.2012.

1. Basic Salary - Rs.8,00,000/-per month.
2. House Rent allowance - Rs.4,80,000/- per month
3. Gas, Electricity, water or reimbursement of expenses in lieu thereof shall be in accordance with the schemes and rules of the Company.
4. Medical Reimbursement - Reimbursement of expenses incurred for Self and family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.
5. Leave Travel Concession - Reimbursement of expenditure incurred for self and family once a year subject to a maximum of one month's salary.

6. Club Fees - Actual fees for a maximum of two clubs subject to a maximum of Rs.20,000/- per annum. No admission and life membership fee will be paid.
7. Personal Accident Insurance and other term insurance
- The Premium shall be paid as per the rules of the Company.
8. Contribution to Provident Fund and Superannuation Fund shall be paid as per the rules of the Company and shall not be included in the Computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
9. Gratuity shall not exceed half a month's salary for each completed year of service.

Commission

The Deputy Managing Director shall be paid Commission not exceeding 0.50 % of the net profits of the Company, as may be decided by the Board or Committee thereof from time to time subject to the overall ceiling laid down under the Sections 198 and 309 of the Companies Act, 1956 and further subject to the Deputy Managing Director confirming to the Board that no remuneration has been received by him from subsidiaries of the Company during the financial year.

The Remuneration Committee be and is hereby authorized in its absolute discretion and from time to time to fix within the range stated above the remuneration payable to Mr C.P.Gopalkrishnan.

Minimum Remuneration

Notwithstanding anything stated herein, where in any financial year, Company has no profits or its profits are inadequate, the Company shall pay the above remuneration as minimum remuneration.

13. To consider and if thought fit to pass with or without modification(s) the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Sections 198,269, 309 and 310 read with Schedule XIII and other applicable provisions if any, of the Companies Act, 1956 and subject to approval Central Government, consent of the Company be and is hereby accorded for re-appointment of Mr. Reji Abraham as Managing Director of the Company for a period of 5 years with effect from 26.09.2012 to 25.09.2017 on the following terms and conditions

- A. Remuneration
 - a) Basic Salary

Between Rs.15 Lacs to Rs.25 Lacs per month

The remuneration committee be and is hereby authorized in its absolute discretion and from time to time to fix within the range stated above the Salary Payable to Mr. Reji Abraham

Commission

The Managing Director shall be paid Commission not exceeding 2% of the net profits of the Company, as may be decided by the Board or Committee thereof from time to time subject to the overall ceiling laid down under the sections 198 and 309 of the Companies Act, 1956.

Perquisites

In addition to the salary and commission payable to Mr. Reji Abraham, he shall also be entitled to perquisites like free furnished accommodation or house rent allowance of 60% of salary and reimbursement of other expenditure or allowances for utilities including furnishing and repair gas electricity and water, medical reimbursement incurred in India and abroad, leave travel concession for self and family, club fees (this will not include Admission and Life Membership fees) medical personal accident and term insurance and such other perquisites and allowances (for self and family wherever applicable) as per the Company Policy applicable from time to time to the senior management personnel of the company or as may be decided by the Board or Committee of Board from time to time. Such perquisites and allowances will be subject to ceiling limit as may be fixed by the Committee of Directors from time to time.

For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per Income Tax rules wherever applicable. In the absence of any such Rule perquisites and allowances shall be evaluated at such actual cost incurred by the Company in providing such perquisites and allowances. Use of car for official duties and adequate communication facilities at residence shall not be included in the computation of perquisites for the purpose of calculating ceiling

Privilege Leave: On full pay and allowance as per the rules of the company. Encashment of the leave at the end of the tenure will not be included in the computation of ceiling and perquisites. He will also be entitled to Casual and sick leave as per the rules of the Company.

Company's contribution to Provident Fund, Gratuity, Superannuation or Annuity Fund as per the rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act, 1961

The total remuneration of Mr. Reji Abraham as per "a" & "b" above inclusive of value of perquisites will however be limited to the overall ceiling laid down under the sections 198 and 309 of the Companies Act, as amended from time to time."

B. Minimum Remuneration

Where in any financial year during the currency of tenure of the Managing Director, the Company has no profits or its profits are inadequate, Managing Director shall be paid remuneration by way of salary and perquisites as specified above.

"RESOLVED FURTHER THAT the above remuneration shall be payable to Mr. Reji Abraham for a period of three years with effect from 26.09.2012"

"RESOLVED FURTHER THAT Mr. Reji Abraham shall not retire by rotation during his tenure as Managing Director."

14 To consider and if thought fit to pass with or without modification(s) the following resolution as a **SPECIAL RESOLUTION**

"RESOLVED THAT, in accordance with the provisions of Section 81 and 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof) and relevant provisions of the Memorandum of Association and Articles of Association of the Company, Foreign Exchange Management Act, 1999, Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, guidelines prescribed by the Securities and Exchange Board of India ("SEBI") and subject to such approvals, consents, permissions and / or sanction of the Ministry of Finance of the Government of India, Reserve Bank of India and any other appropriate authorities, institutions or bodies, as may be necessary and subject to such terms and conditions, modifications, alterations as may be prescribed and/or specified by any of them in granting any such approval, consent, permission or sanction, the consent, authority and approval of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include any Committee thereof) to offer, issue, and allot, in the course of one or more offerings, in one or more foreign markets, any securities (including but not limited to Equity Shares, Global Depository Receipts American Depository Receipts/Shares, Foreign Currency Convertible Bonds, Convertible Bonds, Euro - Convertible Bonds that are convertible at the option of the Company and / or at the option of the holders of such securities, securities partly or fully convertible into Equity Shares and / or securities linked to Equity Shares and / or any instruments or securities with or without detachable warrants secured or unsecured or such other types of securities representing either Equity Shares or convertible securities) (hereinafter referred to as "Securities") to Foreign/Domestic investors, Non-residents, Foreign Institutional Investors/Foreign Companies/NRI(s)/ Foreign National(s) or such other entities or persons as may be decided by the Board, whether or not such persons/entities/investors are Members of the Company through Prospectus, Offering Letter, Circular to the general public and / or through any other mode or on private placement basis as the case may be from time to time in one or more tranches as may be deemed appropriate by the Board on such terms and conditions as the Board may in its absolute discretion deem fit for an amount not exceeding US\$ 400 Million (US Dollar Four hundred Million only) or its equivalent currencies including green shoe option on such terms and conditions including pricing as the Board may in its sole discretion decide including the form and the persons to whom such Securities may be issued and all other terms and conditions and matters connected therewith."

“RESOLVED FURTHER THAT without prejudice to the generality of the above the aforesaid issue of the Securities may have all or any term or combination of terms in accordance with normal practice including but not limited to conditions in relation to payment of interest, dividend, premium or redemption or early redemption at the option of the Company and / or to the holder(s) of the Securities and other debt service payment whatsoever and all such terms as are provided in offerings of this nature including terms for issue of additional Equity Shares of variation of interest payment and of variation of the price or the period of conversion of Securities into Equity Shares or issue of Equity Shares during the duration of the Securities or terms pertaining to voting rights or option for early redemption of Securities.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of underlying Equity Shares as may be required to be issued and allotted upon conversion of any such Securities referred to above or as may be in accordance with the terms of the offering(s) and that the said Equity Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank in all respects *pari passu* with the existing Equity Shares of the Company including payment of dividend.”

“RESOLVED FURTHER THAT the consent of the Company be and is hereby granted in terms of Section 293(1)(a) and Section 293(1)(d) other applicable provisions, if any, of the Companies Act, 1956 and subject to all necessary approvals to the Board to borrow monies in excess of the paid up capital and free reserves and to secure, if necessary, all or any of the above mentioned Securities to be issued, by the creation of a mortgage and / or charge on all or any of the Company's immovable and / or movable assets, both present and future in such form and manner and on such terms as may be deemed to be fit and appropriate by the Board.”

“RESOLVED FURTHER THAT such of these Securities to be issued as are not subscribed may be disposed off by the Board to such person in such manner and on such terms as the Board in its absolute discretion thinks fit, in the best interest of the Company and as is permissible in law.”

“RESOLVED FURTHER THAT the Company may enter into any arrangement with any agency or body for issue of Depository Receipts representing underlying Equity Shares/Preference Shares / other securities issued by the Company in registered or bearer form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the international practices and regulations and under the forms and practices prevalent.”

“RESOLVED FURTHER THAT the Securities issued in foreign markets shall be deemed to have been made abroad and / or in the market and / or at the place of issue

of the Securities in the international market and may be governed by applicable foreign laws.”

“RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of Securities or instruments representing the same, the Board be and is hereby authorised to determine the form, terms and timing of the offering(s), including the class of investors to whom the Securities are to be allotted, number of Securities to be allotted in each tranche, issue price, face value, premium amount on issue / conversion of Securities, Exercise of warrants / Redemption of Securities, rate of interest, redemption period, listings on one or more stock exchanges as the Board in its absolute discretion deems fit and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues and on behalf of the Company to do all such acts, deeds, matters and things as it may at its discretion deem necessary or desirable for such purpose, including without limitation the Appointment of Registrar, Book-Runner, Lead-Managers, Trustees / Agents, Bankers, Global Co-ordinators, Custodians, Depositories, Consultants, Solicitors, Accountants, entering into arrangements for underwriting, marketing, listing, trading, depository and such other arrangements and agreements, as may be necessary and to issue any offer document(s) and sign all deeds, documents and to pay and remunerate all agencies / intermediaries by way of commission, brokerage, fees, charges, out of pocket expenses and the like as may be involved or connected in such offerings of securities, and also to seek listing of the securities or securities representing the same in any Indian and / or in one or more international stock exchanges with power on behalf of the Board to settle any questions, difficulties or doubts that may arise in regard to any such issue, offer or allotment of securities and in complying with any Regulations, as it may in its absolute discretion deem fit, without being required to seek any further clarification, consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or the Managing / Deputy Managing Director or any Director or any other Officer or Officers of the company to give effect to the aforesaid resolution.”

15 To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:**

“RESOLVED THAT pursuant section 81(1A) and all other applicable provisions of the Companies Act 1956(including any statutory modification or re-enactment thereof for the time being in force) and enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreement entered into with the Stock

Exchanges and subject to the provisions of Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 as amended from time to time the provisions of the Foreign Exchange management Act, 1999 and the Foreign Exchange Management (Transfer or issue of security by a Person Resident Outside India) Regulations 2000 applicable rules, regulations, guidelines or laws and / or any approval consent, permission or sanction of the Central Government, Reserve Bank of India or any other appropriate authorities, institution or bodies (hereinafter collectively referred to as the "appropriate authorities") and subject to such conditions as may be prescribed by any one of them while granting any such approval, consent, permission and / or sanction (hereinafter referred to as the requisite approvals) which may be agreed to by the Board of Directors of the Company (hereinafter called the "Board" which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this resolution) the Board be and is hereby authorized to issue offer and allot equity shares / fully convertible debentures / partly convertible debentures / non convertible debentures with warrants / any other securities (other than warrants) which are convertible into or exchangeable with equity shares on such date as may be determined by the Board but not later than 60 months from the date of allotment (collectively referred to as "QIP Securities") to the Qualified Institutional Buyers (QIBs) as per the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 as Amended s, on the basis of placement document(s) at such time and times in one or more tranche or tranches at par or at such price or prices and on such terms and conditions and in such manner as the Board may in its absolute discretion determine in consultation with the Lead Managers, Advisors or other intermediaries for an amount not exceeding RS.2500 crores (Rupees two thousand five hundred crores only) including such premium amount as may be finalized by the Board."

"RESOLVED FURTHER THAT the relevant date for the determination of applicable price for the issue of the QIP Securities shall be the date on which the Board of the Company decide to open the proposed issue "(Relevant date)" or in case of securities which are convertible into or exchangeable with Equity Shares at a later date, the date on which the holder of such securities becomes entitled to apply for share shall be the relevant date "(Relevant Date)".

"RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of any securities referred above or as may be necessary in accordance with the terms of the offering all such shares shall be subject to the terms of Memorandum of Association and Articles of Association of the Company and being pari passu with the then existing shares of the

Company in all respects as may be provided under the terms of the issue and in the offering document."

"RESOLVED FURTHER THAT such of these Securities to be issued as are not subscribed may be disposed off by the Board to such persons and in such manner and on such terms as the Board in its absolute discretion thinks fit in accordance with the provisions of law."

"RESOLVED FURTHER THAT the issue to the holders of the securities with equity shares underlying such securities shall be inter alia, subject to suitable adjustment in the number of shares, the price and the time period etc., in the event of any change in the equity capital structure of the Company consequent upon any merger, amalgamation, takeover or any other re-organisation or restructuring in the Company.

"RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of securities or instruments representing the same as described above the Board be and is hereby authorized on behalf of the Company to do all such acts deeds, matters and things as it may in its absolute discretion deem necessary or desirable for such purpose, including without limitation the entering into of underwriting, marketing and institution / trustees/ agents and similar agreements / and to remunerate the managers, underwriters and all other agencies / intermediaries by way of commission, brokerage, fees and the like as may be involved or connected such offerings of such securities, with power on behalf of the Company to settle any question, difficulties or doubts that may arise in regard to any such issue or allotment as it may in its absolute discretion deem fit.

"RESOLVED FURTHER THAT for the purpose aforesaid, the Board be and is hereby authorized to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of securities and utilization of the issue proceeds including but without limitation to the creation of such mortgage / charge under section 293(1) (a) of the said Act in respect of the aforesaid Securities either on pari passu basis or other wise or in the borrowing of loans as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution

"RESOLVED FURTHER THAT the Board be and is hereby authorized to appoint such consultants, Book runners, Lead Managers, underwriters, Guarantors, Depositories, Custodians, Registrars, Trustees, Bankers, Lawyers, Merchant Bankers and any other advisors and professionals as may be required and to pay them such fees, Commissions and other expenses as they deem fit.

"RESOLVED FURTHER THAT the allotment of securities shall be to Qualified Institutional Buyers in accordance with the Qualified Institutional Placement (QIP), Chapter VIII of Securities Exchange Board of India (Issue of Capital and

Disclosure Requirements) Regulations 2009 as amended from time to time, and such securities shall be fully paid up and the allotment of such securities shall be completed within 12 months from the date of this resolution without the need for fresh approval from the shareholders and placements made in pursuance of this resolution if approved shall be separated by at least 6 months between each placement."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Managing / Deputy Managing Directors / Directors or any other officers / Authorised representatives of the Company to give effect to the aforesaid resolution.

By Order of the Board

C.P. Gopalkrishnan
Deputy Managing Director & Secretary

Chennai – 600 008
Date : 30th May 2012

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM IN ORDER TO BE EFFECTIVE SHOULD BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of Board Resolution authorizing their representative to attend and vote on their behalf at the meeting
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 14.09.2012 to 21.09.2012 (both days inclusive)
4. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating the Special Business to be transacted at the Meeting is annexed hereto
5. Dividend on Equity Shares if declared at the Annual General Meeting will be paid on or after 21.09.2012 to those persons or their mandates.
 - (i) Whose names appear as Beneficial Owners as at the end of the business hours on 13.09.2012 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held on electronic form; and
 - (ii) Whose name appear as members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company / Registrar and Share Transfer Agent on or before 13.09.2012
6. Dividend on Preference Shares if declared at the Annual General Meeting will be paid on or after 21.09.2012
7. Members holding shares in Physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares. Members can contact the Company or Company's Share Transfer Agent, M/s. Cameo Corporate Services Limited in this regard.
8. Members / Proxies should bring the enclosed attendance slip duly filled in for attending the meeting along with the Annual Report. Members who hold shares in dematerialized form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the Meeting.
9. Members holding shares in physical form may obtain the Nomination Forms from the Company's Registrar and Share Transfer Agent

Members holding shares in electronic form may obtain the Nomination Forms from their respective Depository Participants
10. Pursuant to the provisions of Section 205 (A) and 205 (c) of the Companies Act, 1956, Company has transferred unclaimed / unpaid dividends for the financial years 1995-96 to 2003 – 04, to the Investor Education and Protection Fund (IEPF) established by the Central Government. No claim shall lie against the Company in respect of unpaid/ unclaimed dividend after a period of seven years from the dates they first became due for payment.
11. Members who are holding physical shares in identical order of names in more than one account are requested to intimate to the Share Transfer Agent the ledger folio of such accounts and send the share certificates to enable the Company to consolidate all the holdings into an account. The share certificate will be returned to the members after making necessary endorsements in the due course.
12. Members desiring any information as regards accounts of the Company are requested to write to the Company at an early date so as to enable the Company to keep information ready.
13. Members desirous of receiving Notice/ Annual Report in electronic form may furnish their e mail id to the Company / Registrar and Share Transfer Agent.
14. Brief resume of these directors, nature of their expertise in specific functional areas, names of companies in which they hold directorships, memberships and chairmanships in committees, shareholding and relationships between